A UNITED STATES DEPARTMENT OF COMMERCE PUBLICATION

June 8, 1970

International Commerce

Mission to Yugoslavia confirms good tourism equipment market

A U.S. DEPARTMENT OF COMMERCE WEEKLY

XUM

International Trade Winds

Company News

COMMUNICATION—General Telephone & Electronics International Inc., New York, has received a $1.5 million contract from the Argentine agency Empresa Nacional de Telecommunicaciones (ENTEL), for the construction of a microwave radio system. The new system will connect San Carlos de Bariloche, a remote resort area in the Andes Mountains, with Neuquen, the capital of Neuquen Province 230 miles to the northeast. GT&E's system will connect at Neuquen with another GT&E communications system linking Buenos Aires. GT&E will supply the equipment, construct repeater stations, build roads where needed and train local personnel.

PAPER PRODUCTS—Kimberly-Clark Corp., Neenah, Wis., is planning a $10.9 million expansion to its tissue products plant at Koblenz, Germany. The firm's wholly-owned German facilities will construct a 70 ton-per-day tissue machine adjacent to its converting plant and general offices. Completion is scheduled for mid-1972.

CONSTRUCTION—Kellogg International Corp., London, a subsidiary of Pullman Inc. of New York, has completed an expansion project at the Mobil Oil Co. refinery in Croyton, Essex, doubling the plant's capacity from 65,000 to 130,000 barrels per stream day. The expansion integrated the new units into the existing refinery and offsite facilities and necessitated a major redesign of the crude and finished product flow schemes.

INSTRUMENTS—The Gerber Scientific Instrument Co., South Windsor, Conn., has announced the formation of two wholly-owned subsidiaries in Europe to handle sales and service activities for Western Europe. The subsidiaries are: Gerber Scientific—Europe, S.A. in Brussels and Gerber Scientific—U.K. Ltd. in London.

MINING—Plans to expand ilmenite mining operations at Tellnes, Norway, by National Lead Company's affiliate Titania A.S., to one million tons of concentrate annually were announced by National Lead's New York headquarters. The expansion will cost approximately $6 million. One million tons of ilmenite concentrate is equivalent to the production of more than three million tons of basic ore. Production of the by-product magnetite will be increased to 55,000 tons.

Newsletter

When electronic production equipment from the U.S. is put on display, buyers come out in force. This conclusion has been established at U.S. Trade Centers around the world. Further evidence came this spring at Stockholm, where 1,300 trade visitors created sales expectations of $3,625,000 in the next year. A sizable delegation of buyers came from outside Sweden for the show.

Note that the Hanover Air Show's U.S. Exhibition is reporting per-exhibitor sales projections that compare favorably with those reported last year at the massive Paris Air Show. The projections of $14.4 million in 1970 follow-on sales were made by 29 U.S. exhibitors. Floor sales were reported at $2.1 million. The U.S. Exhibition drew a top-flight total of 4,220 trade visitors out of the 147,000 persons who came to the fair.

A business audience was waiting for a traveling trade mission and seminar on electronic data processing that moved out of Bangkok this spring. At Singapore, the first stop, there was a 90% response to mailed invitations. In the attendance of 300 businessmen were 50 persons from Malaysia, who came after being invited by the U.S. Commercial Attache in Kuala Lumpur. The head of the Singapore Computer Society told the seminar organizers that a roll call of the audience would produce a register of the top people in data processing in the Singapore-Malaysia area.

Three of four companies in a trade mission to Germany promoting U.S. Service Industries techniques came back in mid-May with German signatures on the dotted line. These specialists in American franchising expect about $1.7 million of added business for their firms over the next year as a result of their mission talks in Berlin, Frankfurt and Munich.

Another U.S. trade mission to Europe—given featured treatment in this issue—dramatizes the significant flexibility of the single-industry mission. The second tourism equipment mission to Yugoslavia was organized to capitalize quickly on opportunities noted in an earlier mission last November. Within weeks the U.S. industry was canvassed, a schedule was arranged, full Embassy support in Yugoslavia was marshalled, brochures were printed in the local language, and key appointments with buyers and officials were set up.

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the cover

A U.S. trade mission—the second group of tourist industry specialists to visit Yugoslavia recently—has returned from a business tour in the Southern Adriatic region. The mission, accompanied by U.S. Ambassador William Leonhart (2nd row, l.) and Milorad Vukovic (2nd row, r.), president of the Montenegro Chamber of Economy, is pictured touring Sveti Stefan, where fishermen's and peasant houses on a small island connected with the mainland by a causeway have been transformed into a tourist complex. See the mission's market appraisal, pages 2-6, by director Irwin Fine, shown leading the group.

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TOURISM EQUIPMENT MISSION hurries to its headquarters at Zagreb Int'l Fair. Mission leader Irwin Fine (third from r.) is the author of accompanying report.

TRADE MISSION REPORT

Tourist industry potential again seen in Yugoslavia

Second specialized group to Adriatic visits southern region; Government plans development

By IRWIN FINE
Mission Director

Expanding tourism along Yugoslavia's Southern Adriatic coast points to a strong market potential for related equipment, according to the U.S. Tourism and Construction Equipment Mission that returned recently from a business trip to the region.

Tourism is now second—after shipbuilding—in bringing foreign currencies into the country. The Yugoslav Government and U.S. Embassy officials believe that tourism will overtake shipbuilding in a very few years. For this expansion, a broad variety of tourist-related equipment and services will be needed.

For most of the mission members, their primary objective was to obtain distributorships. One such arrangement was completed before the business tour ended; four others are under negotiation.

The trade mission, in itself a return mission, is prompting other return visits—several members are planning to go back soon—and thus serves as proof of the burgeoning market's potential.

This was the second specialized U.S. group in five months to explore possibilities of selling commercial products and services to Yugoslavia's tourist industry. The first, which visited some of the same areas last November, estimated so much potential business and reported such a variety of untapped opportunities that plans for a second mission—focusing chiefly on the Southern Adriatic—were inaugurated.

The second mission—unlike the first, which started in Zagreb—began its activities in Budva, traveled north along the Southern Adriatic coast, and turned inland to visit the annual International Spring Trade Fair, TU-EX, in Zagreb and to conclude operations.

A specialized mission is organized around a compact group of related products. Commerce plans and recruits, and supplies a director; but the business members pay their own way and act for their own companies.

The question is always asked, "Are these specialized mission useful to the U.S. business community?" Our members thought so. In the words of John N. Newman, of the Chrysler Corp.'s air-conditioning division:

"For six years Chrysler Airtemp has been working to develop this market. This has involved a number of abortive trips to Yugoslavia with many unfruitful discussions. The mission has given to our company the possibility, in a short period of time, with the least expense, of meeting and discussing with Yugoslav officials the purchase of Yugoslav parts and the distribution and sale of our products."

In 1969, as a result of a three-year, $3 million survey by the United Nations, the Yugoslav Government adopted the South Adriatic Project—a plan for developing the Southern Adriatic coast. The overall project includes three inter-related sections: a plan that weighs the natural resources of the Southern Adriatic region and the suitability of different areas for various types of development; master plans for four specific areas within the region (Hvar, Dubrovnik, Budva and Ulcinji); and, eight detailed plans for selected areas where tourist facilities are to be concentrated.

In the next 20 to 25 years, close to $2 billion worth of investment is planned for construction of new harbors, roads, airports, hotels, and tourist centers. The plan calls for a gigantic program to construct 490,000 new beds in deluxe and class A hotels (which by law require air-conditioning), and other more modest hotels and tourist camps.

Hotels under construction

Work has already begun and the mission members, while at Budva, saw some of the new luxury hotels under construction. Two new harbors are under way at Bar and Ploce.

The World Bank is considering assisting in the financing of two project proposals submitted by the Yugoslav Government as part of the South Adriatic Project. The first, in the Dubrovnik area, is for construction of a resort complex to include 5,000 beds in luxury-, medium- and economy-class hotels; a shopping center; beach development; marinas; swimming pools; restaurants, night clubs and necessary roads, with total costs estimated at $25 million. The second project, near Budva, calls for a complex similar to that of Dubrovnik, also with 5,000 beds and associated facilities with a cost estimate of $20 million.

The Southern Adriatic region has one of the most beautiful coastlines in the world; however, its development has been hampered by lack of adequate tourist facilities and essential services. Completion of the Adriatic highway in 1966 with the assistance of $68 million from the World Bank opened up the southern area to tourism.

In 1960, Yugoslav foreign tourist receipts were $8 million; in 1969, more than $300 million. The forecast for 1970 is $400 million, with a projection for 1975 of $800 million, and according to William B. Whitman, U.S. Commercial Attache in Belgrade, "We believe this projection to be a reasonable or even conservative estimate of their vast tourist potential."

Economy booms

The Yugoslav economy is now booming, and despite current problems of inflation and trade deficits local businessmen and international financial institutions are optimistic about the future (INTERNATIONAL COMMERCE, May 4).

While socialist in its theory, Yugoslavia business practices are based on market economy principles. Yugoslavia looks to Western sources of equipment and technology as a means of attaining industrial modernization and export competitiveness. Establishment of commercial and financial links with the Western nations is actively promoted.

Find brisk interest

Mission members reported that the Yugoslav businessmen they met were very much interested in doing business with U.S. firms. Their findings were similar to those reported by the November 1969 tourist industry mission (see INTERNATIONAL COMMERCE, Dec. 15, 1969):

► We offer to sell equipment to assist in development of their tourist industry; but are we willing to buy anything from

Mission followed one in November

The recent U.S. Tourism and Construction Equipment Mission to Yugoslavia followed an earlier, but similar, specialized mission to the same country last November.

The first group visited Zagreb, Ljubljana, Opatija, Rijeka, Zadar, Primosten, and Split. The second toured Budva, Cavtat, Podgora, Split, and Zagreb. Among the products represented by the companies participating in the November mission were air-conditioning equipment, temperature controls, sanitary ware and plumbing items, laundry and drycleaning equipment, floor and wall coverings, and management consultant services in tourism. The April group, too, promoted air-conditioning and laundry equipment and consultant services, as well as sail and motor boats and other sporting goods, cooking and food service equipment, central vacuum cleaning systems, and industrial and commercial refrigeration and other related items.

In addition to Director Fine, who prepared the accompanying summary report, participants in the recent mission were: J. Henry Barbour, Leo Kramer International, Ltd., Washington, D.C.; P. A. Bonnici, Gibson International Co., Greenville, Mich.; John Garfield, American Machine & Foundry, New York; Michael I. Levine, Michael I. Levine International Inc., Freeport, N.Y.; John M. Newman, Chrysler Corp., Dayton, Ohio; Ferney B. Peterson, F. B. Peterson Industries, Inc., Jacksonville, Fla.; Robert Rubini, W. M. Cissell Manufacturing Co., Louisville, Ky.; Jack Russell, American Laundry Machinery Industries, Cincinnati; and Hilary Wilson, McGraw-Edison Co., Elgin, Ill.

IN BUDVA, U.S. Ambassador William Leonhart (l.), down from Belgrade to meet with the mission, greets Milorad Vukovic, president of the Montenegro Chamber of Economy (r.) located in Titograd.

XUM

DISCUSSING RECREATIONAL DEVELOPMENTS (through interpreter, above, c.), Anton Lujak (l.) of Export-Import and Hotel Enterprises, Dubrovnik, meets with AMF Int'l representative at mission quarters in Zagreb.

their industries, our counterparts asked.

► Competition from Western Europe, particularly Germany and Italy, is keen. Their proximity permits good and fast service. Reportedly, West European businessmen also offer the Yugoslavs more liberal credit terms. Although some U.S. equipment may be higher priced than our competitors' in Yugoslavia, we still have a market because of the excellence and reputation of our products.

► Yugoslavs point to the 1967 laws permitting foreign firms to form joint ventures with up to 49% of foreign equity. They believe these joint ventures are attractive and often are surprised when we think otherwise (see additional comments, p. 5).

► U.S. firms need to provide quick service and parts if they wish to compete successfully in Yugoslavia. Some U.S. companies are doing this from their European subsidiaries.

Doing business

While some U.S. businessmen may comment on the difficulties of doing business in Yugoslavia, they may not always know that Yugoslavs have their problems in dealing with us. Yugoslav bankers and businessmen emphasized these points:

► While the words used in "commercial language" are the same, they may mean different things to each party. Both groups agree that this lack of communication may create some of the problems.

► Because responsibilities in Yugoslav enterprises are not always clearly defined, their businessmen say we generally expect overly quick decisions, which they may not be in a position to make promptly.

► U.S. firms often lack knowledge of local conditions and problems.

► U.S. businessmen are not flexible enough in dealing with Yugoslav problems, particularly regarding credits for large equipment purchases.

► Yugoslav buyers are generally unaccustomed to the "hard sell," and sometimes react negatively to this approach.

Yugoslav banks have a reputation for responsibility and follow normal commercial business practices. Commercial laws and practices dealing with foreign companies are similar to those in Germany, Switzerland, and Austria—except for foreign currency regulations, for which there are certain restrictions.

Yugoslav firms with their own foreign exchange can buy from the United States with no problems and their banks will guarantee repayment in hard currencies.

Since commercial conditions are, in general, not controlled by Yugoslav law, commercial contracts between Yugoslav enterprises and foreign firms in every type of commercial partnership are paramount in determining the features of collaboration. Therefore U.S. businessmen entering sales, agency, and joint arrangements with Yugoslav companies should pay close attention to the contract and its conditions, and retention of Yugoslav legal counsel is recommended.

As with the November mission, the search for an agent-distributor was a key objective of many of our members. Of the nine companies participating, six sought agent-distributors. During this short mission, one succeeded in establishing an agent in Belgrade; four reported negotiations begun and under way.

Only one permitted

Yugoslav regulations permit only one general agent for the entire country; however, these agents usually have branch sales offices throughout the country.

This requirement presented our members with problems. Participants reported that while they found many businessmen who were competent to handle the U.S. products locally, they questioned their ability to give effective representation in sales and services in other areas of the country. This situation points up the importance of locating an agent with an existing strong national sales network or the ability to build one up.

Some large enterprises, such as GENERALEXPORT, INTEREXPORT, ENERGOINVEST, AND INTERTRADE, are widely diversified. They are in the import-export business for all types of goods; some own and operate airlines, tourist hotels, travel agencies, manufacturing plants. There are at least 20 major enterprises in Yugoslavia which can provide distributorships covering every region of the country; and Commercial Attache Whitman, mentioned earlier, will be glad to put interested American companies in contact with them.

Yugoslavs ask UN survey of North Adriatic region

The Governing Council of the United Nations Development Program, meeting this month, will have before it a proposal by the Yugoslav Government for the formulation of a comprehensive "Physical Development Plan for the North Adriatic Region."

A continuation of planning for the entire Yugoslav Adriatic coastal region, the survey would take two years and cost about $3 million—with Yugoslavia contributing $2.6 million and the United Nations, $0.4 million.

Copies of the proposal are available to U.S. firms upon request from J. O. Malone, International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

The range of products the mission members offered to the Yugoslav tourist industry included air-conditioners; industrial and central vacuum-cleaner systems; industrial and commercial refrigeration, laundry, and dry-cleaning equipment; commercial cooking and food service equipment; diversified products for tourism and recreation; and management consultant services in tourism development. The mission members who offered air-conditioners to hotel enterprises were in agreement that there is a tremendous market for this product. Yugoslav regulations now require that all hotels in the luxury or class A categories be air-conditioned. They report that "thousands of units will be required under the South Adriatic plan."

The market stems not only from new hotel projects but also older hotels without air-conditioning, for which units have to be installed to get or retain a luxury or A rating. P. A. Bonnici, Gibson International, commented, "Without having made a market survey, I believe it is reasonable to expect that somewhere between 20,000 and 25,000 new room air-conditioners will be in service in Yugoslavia within the next 2 to 3 years."

Opening session in Budva

The mission's opening session, in the Southern Adriatic city of Budva, was sponsored by the Montenegrin Chamber of Commerce. U.S. Ambassador William Leonhart and the mission members met with a large group of Government officials and businessmen.

The mission traveled north through the Southern Adriatic region, which, as already mentioned, will be the area of the great tourist expansion plan for Yugoslavia. We saw one location where a beautiful plain runs into the Adriatic, 20 minutes by bus from Budva and just minutes from Tivat. A new airport capable of handling the new jumbo jets is nearing completion at Tivat.

The plain will be the site of the $20 million "Budva resort complex," financial assistance for which is now being considered by the World Bank.

In Croatia, stops were made in Cavtat and Podgora. Sessions sponsored by the local Chamber of Commerce were held in Split and attended by Embassy Economic Counselor Raymond J. Albright.

In Zagreb, where the annual International Trade Fair was in progress, the mission met with local businessmen and bankers and enterprise officials who had come from Belgrade specifically to meet with us.

Some 200 U.S. companies—including their West European subsidiaries—are represented in Yugoslavia, and about 25 U.S. firms have production-licensing agreements; but only two American firms are involved in joint investments. Mission members report that while they received many inquiries about joint ventures, the terms offered were not profitable enough to warrant further discussions. In addition, some mission members said that the laws are not sufficiently clear on re-investment provisions and repatriation of profits.

A Yugoslav banker commented, "It may not be an easy matter to understand all our laws relating to joint ventures in Yugoslavia, but they are in practice quite feasible and they offer excellent opportunities for all concerned."

Another Yugoslav banker said "The laws are not unclear, and Yugoslav enterprises are in a position to show that profits will be adequate to recompense the invested foreign capital."

Yugoslav businessmen and officials reported to the Mission that conditions governing profit repatriation and re-investment requirements by foreign investors in Yugoslavia are now being reviewed by the Yugoslav Government to make joint equity ventures more attractive to foreign capital.

For joint ventures in the tourist hotel field some may find the present situation acceptable. Michael I. Levine, President of Michael I. Levine International, Freeport, N.Y., reported three weeks after his return from the mission:

"I have now contacted Yugoslav Government officials and businessmen in New York and Yugoslavia and plan a return trip in June to pursue my plans for a joint venture in a tourist hotel on the Southern Adriatic Coast. In connection with this project, I am also working on plans for

U.S. lags in growing Yugoslav market

By WILLIAM B. WHITMAN
Commercial Attache, U.S. Embassy, Belgrade

The need to increase industrial efficiency and export competitiveness has led Yugoslav businessmen to develop their industries through U.S. and other Western sources of equipment, raw materials and semi-finished goods. Close to two-thirds of Yugoslavia's foreign trade is with the convertible area, with the EEC accounting for 36% of the trade total, EFTA 15%, and the United States 5%.

However, last year's statistics revealed real slippage in the American position in the burgeoning Yugoslav market. While total imports increased by 19%, American suppliers increased their sales by less than 3%. Preliminary 1970 figures show that an even further deterioration in U.S. market position may occur this year. The United States has fallen to fifth place among Yugoslavia's trading partners, behind West Germany, Italy, the Soviet Union, and the United Kingdom.

Although the Yugoslav market is now only moderately sized in comparison with nations of Western Europe, it is a fast growing one with appetites for the most modern Western products. In addition to its own potential and dynamics, it offers real possibilities as a springboard for those planning sales and manufacturing activities in Eastern Europe. Recognizing this, a number of U.S. and Western firms have already entered into licensing, and undertaken co-production arrangements with Yugoslav enterprises.

Lorillard, Helene Curtis, and approximately 25 other American companies now have manufacturing or licensing agreements here, and several other large U.S. firms are at the moment actively negotiating manufacturing arrangements with Yugoslav enterprises. On the European side, Philips Electric, Volkswagen, Mercedes-Benz, Citroen, SKF and other major firms have established large production facilities here for the Yugoslav and third country markets.

Close to 200 American firms have establishd a permanent sales presence here by retaining a Yugoslav agent, while representatives of many other American companies visit Yugoslavia regularly.

Exploitation of untapped mineral and petroleum resources also looms large in Yugoslav development thinking. Several American companies have already landed large contracts, particularly in the fields of ore processing equipment, rolling mill machinery and heavy duty vehicles for ore hauling. The outlook is bright for expansion of these and other markets related to mineral extraction and processing.

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JUST BEFORE INSPECTION TOUR of Sveti Stefan, now a luxury hotel-village on the Southern Adriatic Coast, tourist equipment mission pauses for a picture.

an air-travel operation to bring U.S. tourists directly to the Southern Adriatic."

Establishment in late 1969 of the new International Investment Capital Corporation for Yugoslavia, with headquarters in London, is expected to provide a strong stimulus to foreign investment, including tourism projects, in Yugoslavia. The initial equity capital of $12 million in this new investment company has been subscribed by 12 Yugoslav banks, the International Finance Corporation, and a large number of prominent European, American, and Japanese banks.

Other market appraisals

In addition to the participants already mentioned, several other mission members commented, as follows:

J. Henry Barbour, Leo Kramer International, was the only member who also participated in the November mission. He noted: "I signed one contract and have others that I think will be consummated. I expect to revisit the area soon. I feel that there is a virtually unlimited market here for American goods and services related to the tourist industry. However, despite the obvious need, selling here is hard. Virtually every offer I had was some way tied in to asking for financial assistance.

"I have found in dealing with Yugoslavia that little can be accomplished by correspondence. I think it is essential that personal contact be made. This is more expensive and time consuming, but it will be more rewarding in the end."

John Garfield of AMF International Division of American Machine & Foundry said, "I believe that diligent follow-ups will produce excellent results. Foreign exchange is available for priority products not manufactured in Yugoslavia and it appears that most of it is going to Italian and German firms by reason of price, quick deliveries, and easy medium term credits. Italy and Germany are traditional trading partners with the sympathetic view for local conditions.

"The tourist potential along the Southern Adriatic coast, as yet lightly developed, is enormous by any standard. The area has easy access, reasonable prices, abundance of sea and sun, and friendly hospitable people. Missing are most forms of recreational facilities such as marinas, golf courses, bowling centers, play grounds and the like."

Jack Russell of American Laundry Machinery Industries commented: "I have been actively engaged in prospecting the Yugoslav market on behalf of my company. Obviously, we are convinced of the existence of a large potential market for products and services related to the tourist industry. Regarding the potential market in Yugoslavia, they need our products and are eager to trade with us. There are problems to be solved, but none of these are insurmountable and as the will exists on both sides there will be the way."

Mission leader Irwin Fine is Director of the International Organizations Staff in the Commerce Department's Bureau of International Commerce.

Beneficial for future

Hilary Wilson of McGraw-Edison said: "The U.S. Trade Mission offered an opportunity to obtain a comprehensive insight into a relatively unknown market to American businessmen. The exposure to top Yugoslav officials under the sponsorship of the U.S. Government in this market is beneficial to the development of future contacts.

"The Yugoslav market is not one in which normal commercial practices can be followed, nor where results can be obtained easily or rapidly. The mission pointed out the need for U.S. business people to be more flexible in credit terms, market development policies and in commercial contact. The game is played differently here. Potential over the long term is evident."

U.S. share of world exports of manufactured goods dropped significantly during 1969

Reductions extended to all main commodity groups; among top competitors, Japan and Germany improved supplier positions

The U.S. share of world exports of manufactured goods dropped to a postwar low in 1969. The decline occurred as manufactured exports of the major industrial nations, excluding sales to the United States, advanced at their fastest rate in the decade to a record $120 billion last year.

U.S. shipments reached $26.8 billion, also a new high, but grew significantly slower than those of other suppliers. Our share consequently fell to 22.3% in 1969, a drop of 1.1 percentage points from the previous year. This represented the largest loss since 1961.

Transport equipment, chemicals

Although our position weakened in each of the five major commodity groups comprising manufactures, the most pronounced reductions occurred in transport equipment and chemicals. U.S. shipments of transport equipment, accounting for almost one-fourth of our manufactured exports, advanced by only 11% last year, a modest gain both compared to the expansion in our sales of these products in 1968 and to the growth realized by our competitors in 1969. This relative sluggishness stemmed largely from widespread declines in exports of commercial aircraft, as major foreign carriers postponed their purchases of conventional planes to await delivery of the new jumbo jets expected to be available in 1970. Deliveries of military aircraft, however, advanced significantly.

Falling sales of motor vehicles to countries other than Canada also played a role in restraining U.S. export growth. In addition, our deliveries of automotive products to Canada posted only limited gains, as weakness in auto sales slowed shipments of parts for assembly into vehicles for export to the United States and retarded the movement of cars for Canadian buyers.

U.S. exports of chemicals advanced by only 3% last year, while those of our competitors forged ahead at over five times that rate. A sharp reduction in shipments of fertilizers and insecticides to East and South Asia and a standstill in deliveries of plastics accounted for the negligible overall growth.

The competitive stance of U.S. exporters weakened also in the world machinery market as the U.S. share of electric machinery fell by seven-tenths of a percentage point and nonelectric machinery by six-tenths of a point. U.S. exports of nonelectric machinery, rising by 14% to $7.2 billion, posted their highest growth rate since 1964. This gain was not large enough, however, to prevent a deterioration in our market share. Electronic computers and parts accounted for nearly one-third of the dollar rise over 1968, with much of the increased flow going to Western Europe and Japan. Higher sales of other types of office machinery, power generating machinery, and materials handling equipment also contributed to the overall advance.

Setting the highest growth rate for the past decade, electric machinery exports expanded to $2.7 billion, a 17% increase over 1968. Despite this record gain, U.S. exporters failed to hold their own in the foreign market. Shipments of electron tubes, transistors, and other semiconductors and parts led the advance with a 70% increase over the previous year. The largest gains were in expanded deliveries to East and South Asia, the European Economic Community, and Japan—in part to U.S. subsidiaries for assembly and sale abroad or shipment back to this country. Sales of radio and TV apparatus also grew significantly, especially to the United Kingdom, the EEC, East and South Asia, and the Near East.

Our position in the market for "other manufactures"—a heterogenous group comprising mostly semimanufactures and nondurable consumer goods—also slipped but, as in machinery, the loss was more moderate than the overall average. U.S. sales of these goods topped $7 billion last

BRISK ACTIVITY in the business centers of the industrial nations attests to the rapid growth of world exports of manufactured goods. U.S. shipments reached a new high, but advanced much more slowly than those of other suppliers. Among our top competitors, Japan and Germany improved their positions.

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U.S. SHARE OF WORLD EXPORTS OF MANUFACTURES

Commodity	U.S. exports (million dollars)	U.S. share (% of world exports to foreign markets [1])
Manufactures, total		
1958	11,171	27.6
1959	10,803	25.6
1960	12,625	25.2
1961	12,813	24.0
1962	13,713	24.5
1963	14,332	23.5
1964	16,545	23.8
1965	17,469	22.7
1966	19,254	22.8
1967	20,861	23.2
1968	23,834	23.4
1969	26,781	22.3
Chemicals		
1958	1,407	29.6
1959	1,559	29.1
1960	1,776	29.6
1961	1,789	28.2
1962	1,876	27.9
1963	2,009	26.9
1964	2,364	27.1
1965	2,402	24.7
1966	2,675	24.6
1967	2,802	23.7
1968	3,286	24.2
1969	3,383	21.9
Nonelectric machinery		
1958	2,814	35.0
1959	2,829	33.8
1960	3,238	32.7
1961	3,592	31.1
1962	3,929	30.9
1963	4,046	30.2
1964	4,654	31.4
1965	5,042	30.9
1966	5,545	30.1
1967	5,952	30.2
1968	6,313	29.4
1969	7,188	28.8
Electric machinery		
1958	1,065	32.9
1959	1,043	30.7
1960	1,087	28.2
1961	1,225	27.0
1962	1,361	27.3
1963	1,492	26.7
1964	1,665	26.2
1965	1,661	23.9
1966	1,900	25.1
1967	2,098	25.7
1968	2,284	25.0
1969	2,678	24.3
Transport equipment		
1958	2,487	35.3
1959	2,186	32.0
1960	2,666	33.1
1961	2,497	30.3
1962	2,735	31.8
1963	2,704	28.2
1964	3,050	28.4
1965	3,445	28.4
1966	3,710	28.7
1967	4,523	31.8
1968	5,850	34.2
1969	6,515	32.2
Other manufactures		
1958	3,398	19.6
1959	3,186	17.4
1960	3,858	17.4
1961	3,710	16.4
1962	3,812	16.5
1963	4,081	16.4
1964	4,812	16.7
1965	4,919	15.5
1966	5,424	15.7
1967	5,486	15.2
1968	6,101	15.1
1969	7,017	14.5

Note: The term "manufactures" refers to chemicals, machinery, transport equipment, and other manufactures except mineral fuel products, processed food, fats, oils, firearms of war, and ammunition.

[1] World exports are defined as exports from the 14 major industrial countries. These nations, which account for approximately four-fifths of world exports of manufactures to foreign markets, are as follows: United States, Austria, Belgium-Luxembourg, Canada, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Sweden, Switzerland, United Kingdom, and Japan. Exports to foreign markets are total exports excluding exports to the United States.

year with more than a third of the dollar gain stemming from sharply increased sales of steel-mill products. This booming demand was particularly evident in the EEC, where domestic and foreign demand ran considerably ahead of output. U.S. exporters also capitalized on the worldwide shortage by increased sales to Latin America, particularly Argentina. In addition, deliveries of measuring, controlling, and scientific instruments (especially to the EEC and Latin America), aluminum, and sound equipment all scored solid gains.

Only Japan and Germany, among our top industrial competitors, improved their positions as world suppliers of manufactures last year. Japan's gains extended to all major categories of manufactured goods, except transport equipment. The major Japanese advance centered on electric machinery, and on other manufactures. Japanese exporters were also able to improve, though only slightly, their standing in exports of nonelectric machinery and chemicals but suffered a sharp setback in the market for transport equipment, mainly because of declining sales of ships.

By contrast, transport equipment was the class of goods in which German exporters performed best in 1969, raising their share of this market by one percentage point to nearly 21%. Sizable expansion in sales of motor vehicles sustained this advance. Germany's standing also improved in electric machinery, chemicals, and other manufactures, but deteriorated marginally in nonelectric machinery. France retained its 1968 position last year, offsetting a marked share loss in other manufactures with gains in the remaining commodity groups.

Both Italy and the United Kingdom reported fractional share losses in 1969. Italy's share edged downward in all commodity groups except nonelectric machinery. This deterioration marked Italy's first weakening on the world market in several years. For the United Kingdom, on the other hand, the one-tenth of one percentage point decline represented the smallest share loss in the past decade. The British standing dipped slightly in both machinery groups, held even in chemicals, and improved in the other two broad product categories.

Data on the U.S. share of world exports of manufactured goods are reported quarterly in INTERNATIONAL COMMERCE. *The previous report appeared in the issue of March 16.*

Information on the full year 1969 is presented in the accompanying article, prepared by the Commerce Department's International Trade Analysis Division.

Steel industry told U.S. will back new moves

Commerce Department official asks joint steps in world trade

A Commerce Department official has told the U.S. steel industry that the Department is ready to assist the industry with possible new joint Government/industry steps to improve its international competitive position.

Kenneth N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business, met with officials of the American Iron and Steel Institute, in the first discussion in Commerce's program to follow up a mid-May Conference on U.S. International Business Problems and Prospects attended by 500 leaders of all U.S. industries in Washington.

In view of continuing U.S. balance of payments difficulties and growing world business competition, it was agreed at that meeting that new joint government/industry initiatives were needed. Secretary of Commerce Maurice H. Stans pledged full support of his Department and asked business's participation in proposing programs which would be beneficial to industry, labor and the national economy.

Significant timing

In addressing the steel industry leaders May 28, Davis said, "It is particularly significant that we are meeting at this time. Very great attention is now focused on the state of the economy of the United States and of the world. There are those who are showing a lack of confidence in the future that is totally out of keeping with the fundamental underlying business facts which are evidenced in your own industry and throughout American business. Demand is generally good throughout the economy, and in the steel industry. Steel had its greatest production year in 1969 and your forecasts are for output to continue at a high level.

"Looking at the nation as a whole, output dropped slightly in the first quarter but current indications are that the second quarter will show a modest increase. There is one essential thing that the economy must have for industry to remain strong and employment levels to remain high: it is good business volume. And business volume is good and should continue to be good!"

"What we have not been able to do yet both here in the United States and in most other industrial nations is to achieve sufficient wage and price stability. Inflation continues to be the primary challenge confronting American industry and labor and although there have been some encouraging recent developments, we are obviously not on sound enough ground yet."

"This brings me to the second area for discussion today—that of the international competitive position of the steel industry. Your industry has been feeling increasing competitive inroads from Japan and Europe. Price advantage has been a major factor in their obtaining a substantial and growing share of the American market. A part of the price problem, of course, has been a result of our own inflationary pressures. Also, you have had to contend with lower overseas labor standards, newer foreign manufacturing facilities, and different foreign government ground rules, including subsidies and less stringent antitrust practices than our own.

"In recognition of the needs of both U.S. industry and labor, voluntary limitations on steel imports from Europe and Japan were sought and obtained over a year ago. It is difficult to judge how effective that agreement will be in the future in view of the heavy worldwide demand for steel which has so far kept the agreement from being severely tested. It is my judgment, which I believe is shared by the industry, that import restraints, while important, are not the whole answer to strengthening your world competitive position."

Davis commented on a meeting in Europe recently where he accompanied a U.S. advanced technology trade mission and also met with government officials.

European reactions

He noted that the comments most generally heard from the Europeans were concern over the possible impact on the world monetary system of a continuing U.S. balance of payments deficit on the one hand, and on the other hand a request that the U.S. take a reasonable and practical viewpoint of the need for Europe to foster and protect its own advanced technology industries against extreme U.S. competition.

"These two concerns, while perhaps quite valid," Davis noted, "are inconsistent with the often-heard additional request from both Europe and Japan that the U.S. permit unlimited imports into this country with resulting impact on business, employment, and the U.S. balance of payments. In view of the restrictions which Europe and Japan maintain for their own markets, I do not think that the U.S. should feel the slightest embarrassment over the type of minimal import limitations it has sought for our great employers like steel and textiles."

Referring again to the need for further constructive joint government/industry action beyond import limitations, Davis presented to the industry an offer of Secretary Stans to consider any constructive proposals by which the government could fairly assist the industry in improving its world position.

He noted that, in the past, questions had been raised by business regarding the disparity between U.S. antitrust practices and those of other countries, particularly Japan.

"For example, just recently the two largest steel companies were permitted and, in fact, encouraged by the government to merge in a move which would have been illegal in the United States. Plant modernization has also been cited as an industry problem and questions are raised regarding the adequacy of depreciation allowances."

Davis said that the Commerce Department could not promise that new government regulations affecting the steel industry would be forthcoming but he encouraged the industry to present its ideas on a "no-holds-barred" basis and the Department would see that full and expeditious consideration would be given.

White House trade policy unit completed

Commission of 27 expected to submit report in year

Twenty-six men from the fields of business, labor, agriculture and education have been named to the President's Commission on International Trade and Investment Policy. They join chairman Albert L. Williams, Executive Committee Chairman of IBM Corp., whose appointment was announced by President Nixon in April.

The group met for the first time May

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27, and is expected to report in about a year. Kenneth N. Davis, Jr., Assistant Secretary of Commerce for Domestic and International Business, was among the Government officials at the meeting.

Among the elements to be considered by the commission in its study of U.S. foreign trade and investment policies for the decade ahead, are:

► The rapid shifts in international cost and price relationships, which necessitate new and improved adjustment mechanisms;

► The substantial trade liberalization already accomplished in industrial products, while trade liberalization in agricultural products has lagged;

► The emergence of new preferential groupings, including the possible expansion of the European Economic Community, already the world's single most important trading unit;

► The rapid expansion of the role of the multinational firm, which has greatly increased the mobility of productive resources across national frontiers;

► The worldwide acceptance of the desirability of accelerating the growth of the low-income countries, and the need to adapt trade policies to help achieve it.

The members of the commission joining chairman Williams are: I. W. Abel, President, United Steel Workers of America, Pittsburgh; Richard Allen, Vice President, International Resources Ltd., Denver; Ernest C. Arbuckle, Chairman, Wells Fargo Bank, San Francisco; James Binger, Chairman of the Board, Honeywell, Inc., Minneapolis; Fred J. Borch, President and Chief Executive Officer, General Electric Co., New York.

Courtney C. Brown, retired Dean, Columbia University Business School, New York; Gaylord A. Freeman, Chairman of the Board, First National Bank, Chicago; Robert Galvin, Chairman of the Board and Chief Executive Officer, Motorola, Inc., Chicago; Richard Gardner, Professor of Law, Columbia University, New York; Richard Gerstenbert, Vice Chairman, General Motors Corp., Detroit.

Antonie T. Knoppers, Senior Vice President, Merck and Co., Inc., New York; Steward Lee, Professor of Economics and Business, Geneva College, Beaver Falls, Pa.; Edmund W. Littlefield, President, Utah Construction & Mining Co., Burlingame, Calif.; Malcolm P. McLean, Chairman, Sea-Land Services, Inc., Elizabeth, N.J.; Gordon Metcalf, Chairman of the Board, Sears Roebuck & Co., Chicago.

Charles F. Myers, Jr., President, Burlington Industries, Inc., Greensboro, N.C.; Max Myers, Director, Institute of Social Sciences for Rural-Urban Research, South Dakota State University, Brookings, S.D.; Kenneth D. Naden, Executive Vice President, National Council of Farmer Cooperatives, High Point, Md.; Alfred C. Neal, President, Committee for Economic Development, New York; William R. Pearce, Vice President, Cargill, Inc., Minneapolis.

Dan Throop Smith, Professor of Economics, Harvard University, and Chairman of the Board, Polychemicals, Inc., Concord, Mass.; Floyd E. Smith, President, International Association of Machinists and Aerospace Workers, Washington, D.C.; Charles H. Sommer, Chairman of the Executive Committee, Monsanto, Co., St. Louis; John H. Stambaugh, Former Vice Chancellor, Vanderbilt University, Former Senior Associate, George Fry Associates, Nashville, Tenn.; Leroy Stinebower, Former Executive Assistant to Chairman of the Board, Standard Oil of New Jersey, New York; George A. Stinson, Chief Executive Officer, National Steel Corp., Pittsburgh.

The executive director of the commission will be Dr. Isaiah Frank, William L. Clayton Professor of International Economics, School of Advanced International Studies, Johns Hopkins University, and former Deputy Assistant Secretary of State for Economic Affairs.

Canadian dollar unpegged in move to curb foreign exchange inflow

Finance Minister says 'extremely strong position' dictated action to head off speculation, slow down domestic price rises

The Canadian dollar has been allowed to float freely on the world currency markets as a result of the Canadian Government action effective June 1. Since 1962 the Canadian dollar had been pegged at 92.5 U.S. cents.

In explaining this decision, the Canadian Finance Minister E. J. Benson noted the extremely strong position of the Canadian dollar in the exchange market since the beginning of 1970. He stated that the overall official reserve position had risen during the past five months by more than $1,200 million. These reserve increases resulted from the strong current account surplus that developed in the early months of this year and from the continuing heavy inflow of funds arising from long-term borrowing by Canadians in foreign capital markets.

The Canadian Minister emphasized that the rate of accumulation of reserves has been accelerating steadily throughout the year. If this trend had continued, Canada's official reserves would have risen to levels far in excess of Canada's needs. Large-scale speculative buying of Canadian dollars would have been encouraged, with disruptive effects on the international payments system, and with large windfall profits for speculators. The government said that it is not prepared to finance such potentially unlimited increases in the foreign exchange reserves. The decision to permit some appreciation of the market rate of exchange was required in order to prevent an unmanageable situation from developing, said the Minister.

Benson noted that, to the extent that the Canadian dollar becomes more valuable in terms of other currencies, Canadians will be able to buy more abroad with the same amount of Canadian dollars. Lower prices in Canada for imported goods will help to moderate the upward trend of costs and prices.

Any appreciation of the Canadian dollar for any extended period of time, without offsetting measures, would however tend to have a further restraining effect on the economy. This, the Minister emphasized, would not be appropriate now.

The Canadian Exchange Fund will therefore stand ready to maintain orderly conditions in the exchange market and to operate for the time being to moderate any appreciation of the Canadian dollar. This, in conjunction with general economic policy, will be consistent with the Government's continuing economic objectives of a lower rate of price increase and the sustained achievement of rising levels of production and employment.

The Minister further stated that the government is now reviewing its general economic and financial policies in these changed circumstances. In this connection, he endorsed the Bank of Canada's reduction of the Bank Rate from 7½% to 7%.

In its first day of unpegged trading the Canadian dollar sold in a range of 96.5-97.5 U.S. cents, which represents an effective revaluation of 4% in terms of U.S. currency.

European standards agreement in electronics could bar U.S. items

Federal officials urge Government-industry cooperation in U.S. to meet challenge; other product accords said to be in offing

A team of Federal officials that has been in Europe gathering information on new quality standards plans there that could freeze U.S. products out of major markets, has returned with strong recommendations for Government-industry cooperation to meet this challenge.

After talks in London, Paris, Bonn, Milan and Brussels, the U.S. representatives reported some progress in changing an earlier European unwillingness to include the United States in the planned agreements. It is now expected that the U.S. will have an opportunity to take part.

The technical agreement now being put together in Europe involves only electronic components, but it is believed that other accords to follow will cover such products as agricultural machinery, pipelines, crystal glass, fire extinguishers, electrical and gas appliances, electrical equipment and measuring instruments.

A two-step approach is being followed in this field. The first aim is to harmonize technical standards to eliminate the need for making a different product for each country. The second step is to work out an international system of quality assurance so that retesting does not have to be done in each country. The resulting certification of quality could put nonparticipating products at a heavy market disadvantage.

Tripartite Accord

The pathfinding agreement has been termed the Tripartite Accord on Electronic Components because it was originally drafted by the U.K., France and Germany. It has now been turned over to a private coordinating group, and enlarged to include Belgium, Italy and Portugal, with other West European nations expected to be added soon.

A major problem for the United States in joining such an international product standards arrangement is to decide what group or agency will represent the country. There is need to create a single voice in U.S. Government and industry circles that can speak with authority in the electronic components standardization field. A commitment from the U.S. industry that it wishes to take on the obligations of participating in an international agreement is also sought.

The electronic components scheme has been under development in the Tripartite Committee on Standardization, which consists of standards experts from France, Germany, and the United Kingdom, since 1967.

The Electronics Industries Association of the U.S. (EIA) conveyed to the U.S. Government in 1968 its apprehensions about the potential adverse trade effects of this system. The U.S. Government notified the Tripartite countries that it regarded the scheme as a potential non-tariff trade barrier and requested U.S. participation in the deliberations of the Tripartite Committee.

Some progress

Although the Tripartite Governments were unwilling to allow non-European observers at their meetings, they authorized the British Ministry of Technology to send a delegation to the United States in October 1969 to explain the scheme and discuss it with representatives of U.S. Government and industry. As a result of this meeting, correspondence was initiated on the possibility of U.S. participation in the scheme. Replies from the European side have been reported to be slow in coming, however.

To speed things up and to seek answers to questions that had arisen in discussions between industry and Government representatives about the status of the scheme and the meaning of various terms used in the basic rules, it was decided to send a mission to Western Europe in April to gather facts directly from those Governments directly concerned with the scheme and provide a realistic basis for determining U.S. policy and actons.

The mission was headed by Deputy Assistant Secretary of Commerce for Product Standards Richard O. Simpson who was accompanied by Vincent Travaglini, Foreign Business Practices Division, Bureau of International Commerce, and William P. Keasbey, Jr., Special Trade Activities and Commercial Treaties Division, Department of State.

Long Island mission to spur regional goods in European markets

Ten-man group leaves soon for The Hague, Paris, Milan

A regional trade mission, sponsored by the Long Island Association of Commerce and Industry, expects to leave New York shortly for Europe.

The ten-man group, approved by the U.S. Department of Commerce under its industry-organized Government-approved missions program, is scheduled to visit The Hague, June 10-12; Paris, June 15-18; and Milan, June 19-23.

Among the U.S. products to be promoted are such items as industrial and central-system vacuum cleaners, filter paper; transistors, diodes, integrated circuits; electronic devices; electronic data processing equipment; automation equipment timers; industrial diamonds, and adhesives.

Each of the industry leaders will represent his own company and will be prepared to conduct business involving direct sales, agencies, distributors, joint ventures, or licensing agreements. In addition, the mission will carry business proposals on behalf of some 15 firms not participating personally.

Ass'n head leads mission

William J. Casey—of Hall, Casey, Dickler & Howley, Garden City—who is president of the Long Island Association, will head the mission and Fred E. Merrell, executive vice president of the association, will serve as coordinator. Michael Petro, of the Nassau County Department of Commerce and Industry, Mineola, New York, will promote business proposals related to a variety of products manufactured in the area.

Other members and their companies, all in New York, are: Benjamin Titow, manager, and Robert Gerner, engineer, Bulova Watch Co., Valley Stream; Michael I. Levine, Michael I. Levine International, Inc., Freeport; Paul Reiss, president, Saber International, Inc., New York City; I. R. Ross, general manager, Continental Semi-Conductor, Inc., East Farmingdale; and Richard Skinner, president, Skinner Industries, Inc., Westbury. Prof. Lawrence A. Wills, of the State University of New York at Farmingdale, will accompany the mission.

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HOISTING FLAGS AND RECEIVING CERTIFICATES were part of the celebrations of World Trade Week. Jack Bayha, president of ARDAC/U.S.A., left, raises his firm's "E" award flag over the factory in Chesterland, Ohio, while Secretary of Commerce Maurice H. Stans, above left, and Wyeth International Ltd., Radnor, Pa., president M. L. Clancy hold the firm's "E" Star certificate.

Twenty 'E's spark World Trade Week

World Trade Week, a seven-day celebration spotlighting the sale of U.S. goods and services overseas, was accompanied by celebrations at 20 American companies and business organizations across the nation. These concerns received the President's "E" and new "E" Star awards for achievements in exporting.

From May 17-23, six "E" awards and 14 new "E" Stars were presented. The "E" Star recognizes companies and organizations which have previously received the Presidential "E" and have continued to expand their efforts.

On this and the following two pages are pictures of three recipients of the "E" award and six companies now flying the "E" Star flag. Also shown is the special award given by Secretary of Commerce Maurice H. Stans to the Foreign Trade Association of Philadelphia for its contributions in developing export commerce from the Delaware Valley area.

The three receiving the "E" award are: A. T. Cross Co., Lincoln, R.I.; ARDAC/U.S.A., Chesterland, Ohio; the Cleveland World Trade Association in Cleveland. "E" Stars were presented to: the Babcock & Wilcox Co., New York; Lempco International Inc., Maple Heights, Ohio; Republic Powdered Metals, Inc., Medina, Ohio; Wyeth International Ltd., Radnor, Pa.; PNB Corp., Philadelphia; Tektronix, Inc., Beaverton, Ore.

Other "E" awards went to: the Foreign Commerce Club of New York, Inc., New York; Maryland National Bank, Baltimore; and N. W. Controls, Inc., Vernfield, Pa. Other "E" Star recipients were: Alox Corp., Niagara Falls, N.Y.; Arthur D. Little, Inc., Cambridge, Mass.; Brauner Export Co., St. Louis; Coppus Engineering Corp., Worcester, Mass.; Fenwal, Inc., Ashland, Mass.; Kaiser Engineers, Oakland, Calif.; Moog Industries, Inc., St. Louis.

BUSINESS ORANGIZATIONS contributing to exporting qualify for the "E". Above left, Congressman William E. Minshall presents an "E" to W. Rollin Johnston for the Cleveland World Trade Association. Senator Mark Hatfield, right, assists Don Alvey of Tektronix in displaying the firm's new "E" Star flag.

ACCEPTING A CERTIFICATE OF APPRECIATION from Commerce Secretary Stans is C. R. Bardes, president of the Foreign Trade Association of Philadelphia, Inc. On the right, Secretary of the Navy John H. Chafee addresses employees of the A. T. Cross Co., Lincoln, R.I., at the flag raising for the firm's "E" flag.

CONGRATULATIONS ALL AROUND were in order as "E" Star awards went to four more firms which have made sustained export progress since receiving their first "E" citations. Top, Commerce Secretary Stans (r.) presents award to PNB President G. Morris Dorrance, Jr. at a Philadelphia ceremony; at left, Karl Berdach (l.) of Lempco International accepts citation from Cleveland REEC Chairman Harry B. Osborn, Jr.; below left, also in Cleveland, Republic Powdered Metals' Export Manager Ralph Tongue (l.) and the firm's distributor for Northern Spain, Ignacio Quintana, exchange congratulations after receiving award; bottom right, Carl J. Gilbert (r.), Pres. Nixon's Special Representative for Trade Negotiations, presents an "E" Star citation to Babcock and Wilcox Co. President George G. Zipf at a World Trade Day luncheon in New York.

Sales of $1.9 million projected at food processing exhibition

Meat, fish and poultry equipment shown at U.S. Center in Milan

A slaughtering house and refrigeration equipment were among the best sellers at the Apr. 14-25 exhibition of meat, fish and poultry processing equipment and supplies at the U.S. Trade Center in Milan.

Twenty-four American companies, including 11 firms making first appearances in the Italian market, wrote $67,623 in confirmed sales and are expecting more than $1.9 million in orders over the next 12 months. Six of the participants were seeking overseas representatives; three agreements were signed at the exhibition and 22 were under negotiation at its end.

One of the top sales-makers was the V. D. Anderson Co., a Division of International Basic Economy Corp., Cleveland. Showing the Carousel Slaughtering House and a wide range of processing and rendering equipment through literature and pictures, the firm forecast $300,000 in coming 12-month orders.

Amana Refrigeration, Inc., of Amana, Iowa, showing refrigerators and microwave ovens, is estimating $225,000 in first year sales. This was Amana's first appearance in the Italian market.

AUTOMATIC SAUSAGE LINKER, above, is demonstrated for two customers at the exhibition of meat, fish and poultry processing equipment in Milan. The sausage linker is manufactured by Allen Gauge & Tool.

Other firms reporting substantial projected sales are: Avery Products Corp., San Marino, Calif., with $70,000; Goodyear International Corp., Akron, with $100,000; and Howe Corp., Chicago, with $75,000.

The exhibition was accompanied by a seminar on pork and a round table. The 48th Milan International Fair was staged simultaneously on the Milan fair grounds which are adjoining the U.S. Trade Center. An entrance connected the Fair's food pavilion with the U.S. exhibition. A total of 1,975 registered visitors from 43 nations attended the American show.

Other participating firms in the show were: Allen Gauge & Tool Co., Pittsburgh; Allen Quality Machinery, Newberg, Ore.; Barbecue King, Inc., Greenville, S.C.; CP Division, St. Regis, Chicago; Carpenter-Hetzler Co., Los Angeles; The Cincinnati Butchers' Supply Co., Cincinnati; J. B. Dove, Inc., Bluffton, Ind.; Economics Laboratory, Inc., New York; Great Lakes Corp., Chicago; Jaccard Corp., Buffalo, N.Y.; Jettyer Corp., Carnegie, Pa.; The Kartridge Pak Co., Davenport, Iowa; Linker Machines, Inc., Newark, N.J.; Queen Products Division, King-Seeley Thermos Co., Albert Lea, Minn.; Refrigiwear, Inc., Inwood, N.Y.; Vicjet, Inc., Narberth, Pennsylvania; W. R. Grace & Co., Industrial Chemicals Group, New York, N.Y.

OVENS BY BARBECUE KING, INC., left, were shown by the Italian representative of the South Carolina company. On the right, cryovac baas and a taped bag loader are explained by the official of W. R. Grace, one of 24 participating U.S. firms in the Apr. 14-25 promotion. Almost 2,000 visitors attended the show.

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PLANES AND SAIL CRAFT AND HELICOPTERS cover the grounds of the Hanover Langenhagen Airport for the 8th German Aviation Show held Apr. 24-May 3.

German air show flies high

Fairchild stars at U.S. exhibit as 90 companies project $14.4 million in future sales

Cruising at 300 miles-per-hour and carrying 20 passengers, the Metroliner Aircraft, a product of Fairchild Aircraft Marketing Co., Germantown, Md., took top sales honors at the American exhibition in the Eighth German Aviation Show at the Hanover Langenhagen Airport.

Nine Metroliners were sold to seven customers in five European nations during the Apr. 24-May 3 show for a total of $7.6 million in first year sales, including off-the-floor orders. Fairchild wrote the highest confirmed orders for the event—$1.6 million.

Representing almost 90 U.S. manufacturers and suppliers, 29 exhibitors projected $14.4 million in first year orders and wrote $2.1 million in floor sales.

Some of the sales forecasts are based on anticipated developments in two European programs; the A-300 Airbus, a wide-bodied craft; and the MRCA, a four-nation project to build a multiple role combat aircraft.

The Air Show attracted more than 450 exhibitors from 15 nations, displaying a variety of aircraft and sail planes, and the full range of aircraft and airport systems. This marked the first year of American participation in the event and 4,200 qualified buyers visited U.S. booths.

High 12-month sales are anticipated by many companies. Chromalloy American Corp. of West Nyack, N.Y. projects over $1.2 million in additional sales for the coming year. The firm showed metal coatings for jet engine hardware.

California-based Hi-Shear Corp. displayed aerospace fastening systems and tools and predicts annual sales of $500,000. Two other firms estimating $500,000 in 12-month orders are: PPG Industries, Inc., Pittsburgh, making its first appearance in the German aviation market; and REA International Corp., New York. REA represented nine other instruments and parts manufacturers and wrote $50,000 in book orders.

Airborne electronics and ground support systems were on exhibit by Republic Electronic Industries Corp., Melville, N.Y., which is estimating $400,000 over the next year. Narco Avionics, Fort

PROJECTING $100,000 IN SALES, Aeroflex Laboratories displayed torque motors and shock and vibration isolation mounts and systems. This was the first year the U.S. has participated in the German exhibition.

Washington, Pa., is predicting $250,000 through sales of its navigation and communications equipment.

Transaero, Inc., Mineola, N.Y., displayed a variety of aviation instruments and equipment and indicates 12-month sales totaling $225,000. The company also wrote $175,000 in floor orders. With $100,000 in anticipated sales is Aeroflex Laboratories Inc., Plainview, N.Y., which displayed torque motors and shock and vibration isolation mounts and systems.

American exhibitors

Additional American companies at the Air Show in Hanover were: Ametek/U.S. Gauge, Sellersville, Pa.; Borg-Warner International Corp., Chicago; The Budd Co., Philadelphia; Cessna Aircraft Co., Wichita, Kan.; Clifton, Division of Litton Industries, Clifton Heights, Pa.; Continental Motors, Detroit; General Semiconductor Industries, Inc., Tempe, Ariz.; General Telephone & Electronics International, Inc., New York; Hazeltine Corp., Little Neck, N.Y.; Irvin Industries, Inc., Gardena, Calif.

W. S. Kirkpatrick & Co., Inc., Upper Montclair, N.J., representing the following eight firms: TIA Electric Co., Princeton, N.J.; Celeste Industries Corp., Easton, Md.; Air-A-Plane Corp., Norfolk, Va.; American Industries Corp., Cleveland; Deboliac Engineering & Manufacturing Corp., Miami; Strubble & Moffitt Co., Philadelphia; Virginia Combustion Corp., Alexandria, Va.; and United Tractor, Chesterton, Ind.

Permacel, New Brunswick, N.J.; Lockheed Aircraft Corp., Burbank, Calif.; P. L. Porter Co., Los Angeles; Rocke International Corp., Melville, N.Y., representing the following seven companies: Fairchild Industrial Products Division, Plainview; Genisco Technology Corp., Compton, Calif; Dorsett Electronics Corp., Tulsa; Statham Instruments Inc., Oxnard, Calif.; Alco Controls Corp., St. Louis; Radix Inc., Anaheim, Calif., and Victory Engineering Corp., Springfield, N.J.

Ryan Aeronautical Co., San Diego, Calif.; Teledyne Systems, Co., Northbridge, Calif.; UOP Aerospace Division, Bantam, Conn.; Van Dusen Aircraft Supplies Co., Kidlington, Oxford, England; REA International Corp., New York, representing the following nine firms: King Radio Corp., Olathe, Kan.; Tel-Instrument Corp., Aviation Division, Carlstadt, N.J.; Flight Computers, Inc., Burbank; Brittain Industries, Torrence, Calif.; Edo-Aire Instrument Division, Wichita; Champion Spark Plug Co., Toledo; Telex Communications Division, Minneapolis; LAPA 300, Miami, and Pantronics, Fort Lauderdale, Fla.

REPRESENTING EIGHT AMERICAN MANUFACTURERS, W. S. Kirkpatrick & Co. showed products ranging from galley equipment and pillow covers to tow tractors and disposals. Above, Kirkpatrick officials and a customer work over a cockpit mockup. Below, businessmen inspect instruments shown by Teledyne Systems.

AEROSPACE FASTENING SYSTEMS were exhibited by Hi-Shear Corp., below. The California company predicts sales in the next 12 months of $500,000. Almost 90 U.S. companies were represented at the show.

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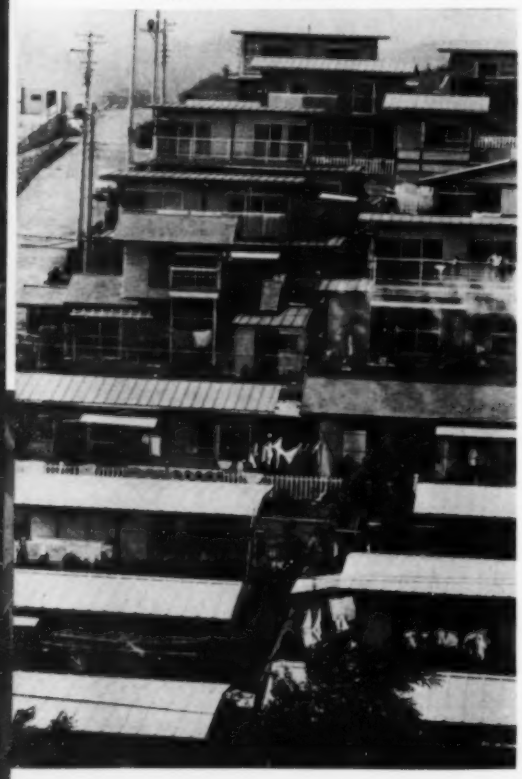
Japan still rushes ahead

High growth rate expected again in 1970 despite implementation of tight money policies

Japan's remarkably strong economic expansion that began in the winter of 1965 rolled on through the first quarter of 1970 according to the semi-annual Economic Trends Report from the U.S. Embassy in Tokyo.

In fiscal 1969 (April 1969 through March 1970), Japan's GNP grew by 19.4% in nominal terms and 13.2% in real terms, on the basis of preliminary figures recently released. Sharp rises in plant and equipment investments and residential construction have contributed heavily to present boom conditions. Strong domestic demand has caused a rise in imports since mid-1969, but Japan's balance of payments remains in a very satisfactory situation with every prospect of a substantial overall surplus this year.

IMPRESSIVE GROWTH IS PREDICTED for Japan again in 1970. Residential construction expenditures have been especially buoyant in recent months. Below, prefabricated housing in Yokosuka City.



After mid-1969, the rate of increase of Japan's exports to the United States began to decline, while the rate of growth of U.S. exports to Japan began to rise. Preliminary figures for the first quarter of 1970 showed an acceleration in these trends. Japan's exports to the United States rose by 17.9% over the same period of last year. Meanwhile, Japan's imports from the United States rose by 51.9% above the first quarter of 1969.

Fundamental growth

This remarkable change is partly attributable to the adverse effects on U.S. exports of the dock strike during the first quarter of 1969. Even so, such a large increase probably reflects an underlying growth of U.S. exports to Japan.

Despite these large percentage gains, there is no real indication of a change in the pattern of U.S. exports to Japan. Agricultural exports—the leading category of U.S. exports to Japan—are expected to break the $1 billion level for the first time in 1970, and other traditional exports—coal and scrap metal—are registering large increases.

Therefore, trade trends probably reflect broad changes caused by boom conditions in Japan coupled with slackening in the real growth of the U.S. economy. Such changes almost always are reflected in the level of imports. Thus, Japan's booming industrial sector demands more commodities and raw materials, while mixed trends in the U.S. economy probably have eased demand for some Japanese manufactured goods.

In short, recent changes probably will mainly benefit U.S. exporters with well-established markets in Japan, particularly in commodities and raw materials. However, in recent months Japan's imports of consumer goods have shown large percentage increases from a very small base, and capital equipment imports after several years of a flat or slightly declining trend have firmed lately. In view of these developments, U.S. exporters have increased opportunity for sales in 1970.

As Japan's trade and overall payments have continued to burgeon, so has the tempo of complaints from abroad pertaining to the restrictive, protectionist, and sometimes illegal (under GATT) trade policies of Japan. In view of this, Japan has advanced, on the surface at least, a number of more liberal policies. A brief description follows of several measures recently acted upon or shortly to be effected:

► The allowance of Japanese touring abroad has been raised from $700 to $1,000.

► Effective May 1, the amount of remittances allowed to flow outside Japan through foreign exchange banks will be eased and procedures for sending money abroad will be simplified.

► On May 15 preferential rates for discounting export bills and other export-oriented paper will be increased by 1%, leaving a 1% gap remaining between the new rates and the Bank rate.

► Effective May 18, 1970, import deposits (cash, other eligible collateral or bank guarantees) under the import guarantee system have been suspended (the deposit rate had been 1% since last November). The system of usance documents for exports will be simplified, but the report will be retained in order to aid the authorities to distinguish between export payments and "hot money" flows.

► Securities firms have been permitted to buy up to $100 million (total) of foreign securities and bank debentures for incorporation in investment trusts.

► The third round of capital liberalization, due in October, is likely to be advanced by at least one month. Areas open to 50/50 foreign capital as a result of this round may include securities, department stores, supermarkets, paper manufacturing, smelting, air conditioners, machine tools, cosmetics and synthetic detergents.

► During late April (which may be regarded as the peak period of concern for prices to date) the Japanese Government announced measures to ease import restraints. The first of the two-part announcement was that the final tariff cuts to be made as a result of the Kennedy Round program, originally set for January 1, 1972, would be advanced by at least

nine months when necessary legislation is enacted. Final cuts will average 2.87 percentage points on finished goods and other manufactured items. The second part was that imports of those consumer goods whose import content in total domestic consumption was less than 2% would be increased up to a maximum of 2%. Many items eligible for such a category (fresh fish, tangerines, etc.) fall under the jurisdiction of Agriculture-Forestry Ministry, and detailed guidelines (which are apt to be very restrictive) remain to be developed. However, the total impact on imports is likely to be negligible. This is true because the consumer goods content in total imports is relatively small and only certain items in that category are being considered. Thus, the professed anti-inflationary motive for these two moves is open to question, since the final effect on prices appears most likely to be insignificant.

► In May the Finance Ministry will begin automatic approval for overseas direct investment up to $3 million (now $300,000) per case. This will be the second such raise in less than one year.

► The authorities are developing a yen import financing scheme whereby the Bank of Japan would discount import paper. Currently, domestic banks finance imports with credit drawn from American or European banks. In so doing, Japanese banks pay an acceptance charge of 1.5% which is passed on to importers in the form of high import usance rates. Some reports refer to a "preferential scheme" or "low-interest" yen facilities, but it seems more likely that the import discount program (a) will not add to the total of credits available for such purposes but merely will displace some foreign borrowing; and (b) will offer rates comparable to external facilities (e.g., bankers' acceptances in the United States and short-term Euro-dollar rates).

Liberalization trend is welcome

These above measures indicate a significant increase in the tempo of Japan's efforts to liberalize heretofore restrictive trade and capital policies. It is to be hoped that this welcome trend will continue.

Policies aimed toward a more selective use of credits from abroad remain in full force. The probable introduction of a yen import financing system will reduce demand for trade financing from abroad. Meanwhile, long-term borrowing abroad is being closely watched and the tempo of "impact" loans has declined sharply since mid-1969. In view of Japan's strong balance of payments position and current tight money policy at home, measures designed to achieve a more selective use of foreign credit almost certainly will remain unchanged through mid-1970 and very possibly for the whole of 1970.

Mining and manufacturing production surged ahead in FY 1969 for a gain of 17.7% over the preceding year. Some leveling off appears to have occurred lately. A spot check for the month of March revealed that the production index fell 0.2% from the February level. Producers' shipments have continued to rise, although at a slightly slower rate during the second half of FY 1969, while inventories are being drawn down—off 4.5% in March over the preceding month. These figures reflect the impact of tight money and may indicate a gradual easing of demand pressures.

Growth should be high

Although new plant and equipment investment is expected to level off in the near future, most economic indicators still point toward a high growth track for 1970. Consumption expenditures have been rising at a steady rate, reflecting increases in personal incomes, and residential construction and local government expenditures have been especially buoyant in recent months.

Accelerating increases in wages and prices have become the primary focus of attention, both in the financial press and as a topic of conversation for economic policy discussants. Wholesale prices were up 2.2% during CY 1969. More alarming, however, were the monthly advances recorded this year: 0.4% in January, 0.5% in February, 0.4% in March. Sighs of relief were audible when the rate of increase tapered in April and in fact turned negative for the second 10-day period during the month. Major components of the wholesale price index accounting for the increase during FY 1969 were: nonferrous metals up 22.2%, steel up 20.4%, paper pulp products up 10.2%. Lately, price rises for raw silk have been very large. The consumer price index increased 5.2% in CY 1969 but this, too, has been picking up speed in the early months of 1970. The consumer price index in February was 0.7% above the recorded level in January.

Japan's export price index rose 6.2%

JAPANESE SHIPBUILDERS ARE KEPT BUSY supplying carriers for the country's exports, which climbed over 22% in the latest fiscal year. Shown is the Mitsubishi Shipbuilding & Engineering Co. in Nagasaki.

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in FY 1969, the sharpest increase in 20 years. Import prices were up 5.2% in the same period—second only to the 5.4% increase recorded in 1956. (Export prices of metal products rose 16.6% in FY 1969 and steel export prices alone were up 19.1%.

Labor shortage remains a serious problem, and the results of the annual spring wage offensive highlight this problem. The recent settlements among rail, steel and electrical manufacturers set a pattern which virtually assures wage increases somewhat in excess of 18% this year. Since 1968 a gap has emerged between increases in labor productivity and wages in manufacturing industries. In FY 1969, wage rates increased slightly faster (17.2%) than productivity (15%). Thus, an 18% rise in wages this year would further underline the threat of a wage-price spiral.

In view of strong wage and price pressures, the Bank of Japan will maintain its tight money policy at least until July. However, the degree of tightness which the Bank can bring to bear is constrained in two respects. First, if credit conditions become too meager for too long, Japan's interest rate structure may rise above those in foreign financial markets; and this would lead to unwanted inflow of foreign capital. Second, the Bank is aware that pursuit of policies too severe on its part would be as damaging to the economy as if they were to take no action at all. Thus, fiscal policy also will have to be employed. Accordingly, the Ministry of Finance has announced it will limit actual budgetary disbursements for the first quarter FY 1970 to the level of last year's corresponding period. Second, the corporate tax rate is to be raised from 35% to 36.75%. Third, the ratio of government bonds to total revenue of the General Account Budget is to be reduced from 7.3% to 5.4% in FY 1970. Despite these measures, there is growing concern about the size of the increase in the General Account Budget for the current fiscal year (up 17.9%) and the high increase in local government spending.

A tightening call money market in February reflected the general tone of the financial scene. Bank time deposits and postal deposit rates were raised in April. And as a result of a widening gap between yields on issued bonds and those on new issues making new issues comparatively unattractive, terms of flotation for government bonds, a host of industrial bonds and interest-bearing debentures were revised during March and April.

Business finance has continued to become more stringent; the demand for funds has remained high while the Bank of Japan has increased its grip on commercial banks' lending policies. Class A banks —the largest in Japan—have been asked to restrain lending during the second quarter of CY 1970 so that their combined loans will not increase by more than 15% over the sum recorded for the same period last year.

The degree of tightness in this ceiling contrasts sharply to plans that banks had earlier to increase their loans by 20-30%. The upshot is that: (1) cash reserves of businesses have declined; (2) payments for new equipment investment are being stretched out; (3) a new record high has been set for the ratio of deferred taxes to total taxes declared by corporations.

Record surplus

Japan's overall payments balance for fiscal 1969, which ended in March of this year, recorded an all-time record surplus of $1,990 million —$360 million above the previous fiscal year. The strongest performance within the accounts was that of trade. Exports were $16,490 million (up 22.2%) while imports amounted to $12,760 million (also up 22%), thus yielding a net trade surplus of $3,730 million.

The long-term capital account in fiscal 1969 provided a partial offset to the trade surplus. A deficit of $1,890 million resulted from Japan's extension of credits on a deferred payments basis to other countries and Japan's loans to the World Bank. Net foreign capital inflow, including that for acquisition of Japanese stocks, amounted to $1,250 million. The short-term balance of exchange banks' overseas assets and liabilities was in surplus by $1,230 million. Foreign currency reserves increased by $660 million over the previous year to a total of $3,868 million at the end of March.

This very strong balance of payments performance by the Japanese is further support for the recent statements made by the Organization for Economic Cooperation and Development: namely, that Japan is likely to remain an important surplus country for some time to come.

In 1970, economic performance should remain at a very high level, even if not quite up to last year's high standards. Nominal GNP probably will increase by about 17% (around 11.5% in real terms) to achieve a GNP in excess of $200 billion with ease. Nineteen-seventy should see another strong performance in Japan's foreign trade. Again, however, the percent rate of growth, especially for exports, will be somewhat less than last year. A trade surplus of $4.0 billion is likely to be partially offset by a $1.0 billion deficit for net service payments and perhaps a slightly larger deficit on long-term capital account. Thus, an overall balance in the range of $1.4-$1.6 billion (vs. last year's $2.3 billion) appears possible. As noted earlier, the usually conservative government forecasts envision an overall surplus of about $1 billion.

One area which may become increasingly important, not only for 1970 but also 1971, is the trend in private investment for plant equipment. Since 1967 the rate of such investment has remained above 20%. Currently, a variety of sources (government and private) are forecasting an increase of private investment spending in the range of 14-16% (or about one-half the rate of increase last year). The impact of tight money is the major reason for this expected change. Projected high fliers for equipment investment in FY 1970 by type of industry, according to orders received and work in progress, are nonferrous metals (up 31%), construction (up 32.6%) and agriculture, forestry and fisheries (up 30.9%).

The expected drop in the rate of increase of plant and equipment may be accompanied by significant changes in composition of funds available for this purpose. According to recent forecasts, internal funds flows will account for 44% (as opposed to over 50% in FY 1969) and foreign capital sources will supply 0.1% of the total (4.1% in FY 1969). Larger proportionate shares of funds for equipment investment will come from domestic borrowing (over 44% in FY 1970 versus 36% in FY 1969) and from private financial institutions (more than 40% as against 31.5% in FY 1969). Reasons for foreign capital comprising such an insignificant share are that relatively high interest rates are expected to continue in foreign financial markets, and—perhaps more to the point—"impact" loans from European or American sources will be restrained as a part of the present tight money policy.

Should monetary policy ease only modestly in the second half of 1969, the forecast of slower growth for plant and equipment would likely be borne out. A rapid easing of credit conditions would show the same forecasts to be conservative. In any case, the impact on aggregate economic performance this year should not be pronounced. The important question is whether or not a growth rate exceeding 20% in plant and equipment can be safely resumed in 1971 in view of wage and price pressures.

France nears stability

Three main economic goals of devaluation already achieved, Finance Minister says

Following last year's devaluation of the franc, the French Government set three main goals for economic policy during the coming year: balance the government's cash budget by January; bring overall supply and demand into balance by April; and achieve equilibrium in France's foreign trade by July. Late in April, Minister of the Economy and Finance Giscard d'Estaing told a press conference that, for practical purposes, all three of these goals had already been achieved.

In addition, as of that date all outstanding short-term debts to foreign central banks (including the United States) had been repaid; the amounts of foreign exchange which French commercial banks were required to keep in a special deposit account with the Bank of France had been considerably reduced; and France continued to show net gains on the foreign exchange markets, indicating that the franc was strong at its new parity rate.

In sum, France had come through the aftermath of devaluation quite well and could face the future with deserved confidence, according to the Economic Trends Report from the U.S. Embassy at Paris.

During his March visit to the United States, President Pompidou took the occasion of the farewell dinner at the Waldorf Hotel to state the government's policy on U.S. direct investment in France. In brief, he defined France's attitude toward these investments as liberal but nuanced. He said that France "is entirely open" toward investment which creates new productive facilities.

However, he pointed out that, as regards existing French enterprises, the government had an obligation to aid and incite needed concentration and change, and that it had to protect certain enterprises during this process. "We need," he said, "to avoid having some sectors pass under foreign control under conditions which frequently would fall within the scope of your anti-trust legislation. We try to see to it that such operations do not frustrate our own purely national concentrations and that, when takeovers occur, they result in a real enrichment of our economy, especially as regards research and activity oriented toward the whole European market."

These themes were reiterated and expanded upon by Prime Minister Chaban-Delmas in his Apr. 16 speech to the French Chamber of Commerce in the U.S. He noted that delays occasioned by the government's process of examining investment declarations were often a source of irritation and he promised that the government would do its best to see to it that timely responses were made. He also promised that, once a foreign firm received approval for an investment, "there will never be any question of penalizing the enterprises in any respect."

Finally, as regards French investment abroad, and especially in the United States, Chaban-Delmas said that the government was in the process of setting up a system which would progressively reduce "an important part of the restrictions associated with exchange controls in order to facilitate commercial investments." As in the case of the Plan Report—which is discussed below—government leaders emphasize that the reference here is mainly to investments which are linked to the development of French exports.

Investors still in doubt

These statements come against a background of two recent actions by the government in which major investment proposals by large American companies were turned down. Though the statements are designed to clarify the government's position on foreign investment, they still leave doubts in the minds of many prospective investors about whether their specific proposal will be accepted or not. The U.S. Embassy's recent experience has been that the vast majority of proposals are in fact accepted (though, in some cases, with changes from the original proposal).

It is therefore desirable that prospective investors get in touch at an early point in their proceedings with the competent French authorities (Ministry of Finance, Ministry of Industry and, if appropriate, the French Regional Development Agency, DATAR—represented in the United States by the French Industrial Development Agency, 610 Fifth Avenue, New York, N.Y. 10022). In summary, the climate for investment is generally good, but some specific proposals may run into difficulty.

While it is still too early to try to assess with much accuracy the effect of the franc devaluation on French-U.S. trade patterns, data available for 1969 as a whole suggest that, though French imports from the United States increased by about 11% over the previous year, there has been some net erosion in the U.S. share of the French market. French imports as a whole went up by 24% in 1969, and it is clear that the U.S. did not participate as fully as other countries in this growth. The

CONSUMERS ARE BUYING LESS as a result of tight credit restrictions and year-end tax payments, but there continues to be strong demand in France for U.S. capital goods. Shown, a supermarket at Angouleme.

total U.S. share of the market was thus reduced to about 8.4%, down from 9.4% in 1968.

However, these overall figures mask certain developments in the French economy which tended to make 1969 a rather special year. A considerable part of the increased imports into France were accounted for by speculative or precautionary purchases of consumer goods early in the year as a hedge against a possible parity change. Since the U.S. is not a major source of such goods in the French market, it benefitted very little from this impetus.

On the other hand, U.S. suppliers of certain producers' goods did quite well last year, reflecting the continuing high level of demand for these products in France. Thus, for example, French imports of U.S. electrical machinery increased by 28% and iron and steel rose from $18 million in 1968 to $48 million in 1969.

U.S. sales outlook is good

As regards the outlook for this year, the projected continuing boom in industrial investment in France should be reflected in a continuing strong demand for U.S. capital goods. In addition, some special factors (including the delivery of new aircraft, including the B747, to Air France) should operate in favor of U.S. exports in 1970. Thus, though growth in total French imports is expected to decelerate during 1970, the outlook for U.S. exports this year is, on balance, encouraging.

In another aspect of French-U.S. bilateral relations, 1969 registered a 15.5% increase in the number of French visitors to the United States. While the total of almost 105,000 did not reach the 1967 mark set during the Montreal Expo year, it was nevertheless an encouraging development, particularly in view of the stringent limitations which French exchange controls placed on tourist expenditures last year. These controls were recently liberalized somewhat (the allocation was raised from 1,000 to 1,500 francs per person), and this should mean increased French tourism to the United States. However, the net balance on tourist account remains heavily in favor of French receipts and together with other elements in the invisibles account, helps tip the bilateral trade balance in France's favor.

The French Government can take considerable satisfaction from developments since last summer. Foreign trade was in balance for practical purposes, in November and has been maintained in basic equilibrium since (even showing surpluses in January and March).

On the domestic side, tight consumer credit restrictions and year-end tax payments have kept consumer demand down to a satisfactory level. At the same time, real industrial output has been increasing at an annual rate of around 6% since last fall, reflecting both the installation of new capacity and a continued brisk demand (largely foreign) for producers' goods. Finally, household and long-term savings have grown steadily over the last six months, recovering from the depletions observed a year ago when speculative or precautionary consumer buying reached its height.

All these elements are cause for justifiable satisfaction that the French disinflation program has been working well. There are, nevertheless, problem areas which will require continuing attention through the rest of 1970. Despite the tightness of restraints on bank lending, new industrial investment is continuing to expand at very high rates. A March poll of a representative industry sample reported that industrial investment, in real terms, is expected to grow by about 20% this year, roughly comparable with last year's figure. Another potential source of increasing demand pressure may soon be felt on the consumer level. Hourly wage rates began to accelerate upward in the last half of 1969, registering a full year average increase of 8.8%. There are indications that this trend continued through the first quarter of 1970, which suggests that households are likely to increase their heretofore rather sluggish demand before long.

These pressures have, so far, only been partially reflected in consumer price developments. Through March, the price index had advanced by 1.7% (an annual rate of more than 6% compared with last year's 5.9%). While the government remains convinced that consumer price rises this year can be held to about 4% in total, the potential demand pressure and the fact that all the effects of price increases at the production level resulting from the devaluation have not yet been fully transmitted to the retail stage suggest that retail price rises will probably exceed this estimate before the year is out.

It seems likely that the economy will grow during the rest of this year at a rate rather in excess of the 4% estimated by the Government last fall. In fact, Minister of the Economy and Finance Giscard d'Estaing announced on May 12 that real economic growth would probably be "slightly higher" than 6% this year.

It also seems likely that both imports and exports will grow at rates exceeding those projected in October. If this pattern develops, some deterioration in the trade account could occur later this year. Finally, continued price pressures could also reinforce the tendency for wage rates to maintain their strong upward momentum.

The government's policy response to the current situation remains cautious. Though quantitative credit restrictions are due to expire at mid-year, it seems probable that the government and the Bank of France will continue to keep a tight rein on credit by maintaining fairly high interest rates and controlling the money supply, even if the quantitative restrictions on lending are allowed to lapse. Government spending will also be kept in check, since the maintenance of a budgetary balance remains a fixed objective. Lastly, though the tourist allowance was raised to 1,500 francs per year in April, the government has shown no disposition to dismantle the rigorous exchange control system which continues in effect.

French proposals for European teamwork

At the European level, the French Government has made several proposals for the coordination and implementation of a coherent European industrial policy. These proposals were outlined by President Georges Pompidou at the EC Summit Conference at The Hague last December and envisage such measures as cooperative promotion of a large new computer of European origin, coordination of government procurement procedures to promote high technology European industry, and a variety of related activities.

On a similar line, the EC Commission in Brussels also adopted this spring the so-called Colonna Plan for Industrial Policy and sent it to the EC Council. The EC Council has thus before it both the Colonna Plan and a French Memorandum on the subject, and can be expected to debate both during the coming months. The extent to which these various proposals are adopted or modified could have considerable impact on the pace and direction in which French and European industrial development will proceed over the next several years, and, more specifically, on the operation of U.S. enterprises in Europe.

In sum, though no serious inflationary threat is foreseeable, it seems probable that government policy will be at most only cautiously expansionary during the rest of this year, designed mainly to assure that the economy approaches full stabilization as it prepares to embark on the new Sixth Plan period which begins in 1971.

On Apr. 15, the Council of Ministers approved and sent to the Economic and Social Council (a consultative institution) the Report on the Main Options of the Sixth Economic Plan. The Report serves two functions: (1) it identifies the areas and issues on which the government is asking the country (first through the Council and then, in the Spring of 1971, the Parliament) to choose a set of major economic and social policy orientations it wants to follow during the 1971-75 period, and (2) it indicates which of these sets the government itself feels is the most appropriate within France's near-term capabilities.

On the first point, the Report identifies three main areas in which choices are needed:

► Confirm the choice, already made, that the French economy must henceforth develop in an environment open to the rest of the world, and in particular to its Common Market partners;

► To determine the rate at which necessary changes in internal structure and overall growth should proceed;

► Determine what kind of life and society France wants (such as the trade-off between increase in income and reduction in working hours; the social sharing of the fruits of growth; the varying emphases to be accorded different social and economic objectives; the role and direction of government action as a social and economic intermediary).

The Report addresses the second function by marking the government's preference for the choice of a set of objectives which will be consistent with what it believes to be France's medium-term overall economic growth potential. This rate is estimated at around a 6% annual average growth rate in real terms. Within this framework, it sets as its main objective the need to strengthen and expand the economy's industries as the highest priority. To do this, a target annual real growth rate of 7.5% is suggested for French industry over the next five years.

To accomplish these objectives, the Report identifies two main conditions which must be fulfilled. First, France will need to assure continuing stability of the franc by rebuilding its external reserves to a target level of about $5 billion and by running a merchandise trade surplus reaching $1.8 billion by 1975. Secondly, domestic price stability will have to be maintained. A target annual rate of consumer price increases of about 2.5% is suggested.

DESPITE TIGHT RESTRAINTS on bank lending, new industrial investment in France is continuing to expand at very high rates. Here, a laboratory in a plant of the Compagnie Generale de Telegraphie Sans Fil.

The Report puts considerable emphasis, in connection with the industrial development objective, on the need to expand French direct investment abroad (mainly in activities—like the extension of commercial networks and assembly plants—designed to increase French exports). However, in order to achieve this goal without undue strain on the balance of payments, it also accepts the desirability of an increase in long-term capital inflow for direct investment in France.

If the Sixth Plan (due to be adopted in final form a year from now) accepts this orientation, it will be the first in some time to have explicitly affirmed the desirability of additional foreign direct investment in France. This affirmation, coupled with the eventual choice of a target rate of real growth of about 6%, should serve to confirm the long-term tendency toward steady growth of foreign participation in France's industrial future.

The Sixth Plan Report, registering the government's determined orientation toward rapid industrial restructuring and growth, is but one of the many developments over the last several months which have served to emphasize the government's concern with the need to strengthen France's industrial capacity. That a vigorous industrial development policy would be one of the keystones of the new government's orientation was made clear in the earliest policy pronouncements of the Prime Minister. In his speech on Sept. 16, Jacques Chaban-Delmas promised that this government would move decisively in this direction in the coming months.

In March of this year, one key element in this process was launched when the government officially created the new Industrial Development Institute (IDI). The IDI will be an autonomous institution whose prime function will be industrial restructuring and modernization. Its capital resources will eventually reach 1 billion francs (330 million this year). Its interventions will take the form mainly (if not exclusively) of temporary (limited to a maximum of five years) capital participations in enterprises which show good promise for development, but which need venture capital. The Institute is expected to be in full operation by this fall.

Labor developments

Along with the new accent on industrial development, the Chaban-Delmas Government is placing equal emphasis on a new policy governing labor-management relations in France. This policy is manifested in a variety of ways and its implementation will be a matter of continuing interest for affiliates of American enterprises operating in France.

In its execution of this policy, the government has moved forward on a variety of fronts during the past nine months. It has pressed for the widest possible implementation of the 1967 profit-sharing law, by which enterprises employing more than 100 workers are required to set up stock distribution or employee savings plans with resources drawn from a part of each year's net profits. As of early 1970, over 4,000

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separate agreements, covering almost 2.5 million wage-earners, had been concluded.

In another important development, the method of calculating the legal minimum wage was changed in January. The new system, called the minimum growth wage (SMIC), uses the previous method of calculation (tied to movements in the consumer price index) as the base, but makes an additional adjustment in July of each year to take better account of general economic developments. Thus, in addition to the periodic upward adjustments made whenever the price index rises by more than 2%, the annual adjustments would in no case be less than half of the yearly increase in purchasing power of average hourly wage rates paid in industry and trade.

The expected effect of this change is to reduce the difference in the rates of increase in hourly wage rates as a whole and the minimum wage which, in the past, tended to lag considerably behind going wage rates, especially during periods of rapid economic growth. As of Mar. 1, the minimum wage in France was set at 3.36 francs per hour.

A third major development has been the recent emphasis on the desirability of transforming hourly paid workers to monthly paid status (referred to as mensualisation). This innovation, promised by President Pompidou during his 1969 campaign, could have far-reaching social and economic effects.

The purpose of this reform is to guarantee the income levels of the seven million French blue collar workers by extending to them the same advantages and fringe benefits currently enjoyed by their salaried co-workers. These include the payment of wages during absence for sick, maternity and military leave, and the granting of seniority, retirement and separation premiums.

Finally, the government moved late last year, in the wage negotiations with the State-owned Electricite de France, and again this year in the agreement recently concluded with the Civil Service unions, toward a new concept governing the determination of annual wage increases in the public sector. The method, called progress contracts, is similar in philosophy with the concept underlying the new minimum wage system and the government would like to see it serve as a model for similar negotiations in the private sector as well.

Briefly, the system ties wage increases to general economic developments as well as worker productivity in the enterprise in question, and provides for a guaranty of an agreed minimum increase in real purchasing power of wages.

No slowdown in sight for Austria's three-year upswing; U.S. sales growth outstripping competitors'

Seeking to diversify trade, exporters are alarmed by protectionist tendencies in U.S.; new Government's policies not yet determined

Austria's economic upswing of three years' running continues unabated. The slowdown that had been anticipated for mid-1970 does not appear imminent, although one cannot write off a slight deceleration later in the year. This is the judgment of the Economic Trends Report from the U.S. Embassy in Vienna.

So far this year, 1969's real growth rate of over 6% is being sustained and there is every reason to believe that 1970 as a whole will register at least a 5% GNP growth. As always, much depends on the course of events in neighboring countries to the West, so the Austrians are constantly on the alert to reduce the negative impact of price and cost pressures piling up in other European countries.

Growth rates of industrial production and foreign trade are maintaining the impressive levels they achieved last year. Transportation, tourism and commercial activities, especially wholesale trade, are expanding at rates higher than the overall growth of the economy. Strong increases of investment goods imports, as well as hikes of about 15% in each of the first couple of months this year in the production of machinery, suggest a considerable further expansion of investments in machinery within the next few months. In construction, on the other hand, the recovery which set in vigorously a short time ago may be hampered by capacity bottlenecks, lack of adequate manpower and the shorter work week, so that the backlog may not be worked off promptly.

Imports join upswing

Austrian exporters are out to beat last year's all-time record. The 23% growth rate recorded for the first two months of 1970 indicates that these aspirations may well be realized. The somewhat subdued optimism prevailing earlier this year has now turned into absolute confidence that the export boom will continue throughout 1970.

Of course, expectations vary from sector to sector. While demand for Austrian raw materials and investment goods has apparently passed its climax, consumer goods sales are expected to grow vigorously during the months ahead. One of the factors responsible for the renewed upswing in Austrian exports is the valuation of the D-Mark. In the months ahead, Austrian exporters are banking on the early removal or drastic reduction of the deposit system holding back British importers.

This bright export picture is clouded only by the uncertain future of the American economy. Austrian exporters to the U.S. market are increasingly worried over a possible recession in an area where they have been very successful in the past two years. This concern is aggravated by current protectionist measures being considered by the Congress.

Compared with exports, imports grew slowly in 1968 and most of 1969. This has now changed. In the first two months of this year, imports ran over 22% ahead of the same period a year ago. The emphasis has been on purchases of raw materials and investment goods needed for the implementation of structural improvements, for the creation of new industries and modernization of existing production facilities. Demand for consumer goods continues to grow at the same pace as last year.

Trade with Austria's European Free Trade Assn. (EFTA) is growing faster than with the Common Market. Consequently EFTA's share in Austrian exports increased from 24% to 25%, whereas the Community received only 41% instead of 44%.

While EFTA suppliers maintained their share of 19.5% in Austrian imports, the EEC share dropped from 56% to 55%. Nevertheless, it is surprising that the parity change in Germany, Austria's most important supplier, has not caused a more pronounced shift towards other sources. It seems clear that German exporters and their Austrian customers digested the higher costs without too much trouble.

The extended stagnation in Austria's trade with Eastern European countries

seems to have come to an end. Available data indicate that Austrian exports to this area are running 27% and imports from there almost 25% higher than a year ago. The trade concessions (import liberalization, Most Favored Nation treatment) granted by Austria to her Eastern partners within the framework of long-term trade agreements has caused much of this expansion in the exchange of goods. The impact of these agreements will become even more visible in the future if Austria agrees to the multilateralization of payments with other Comecon countries, as has been done recently with the Soviet Union.

Trade with the United States expanded much faster than Austria's foreign trade in general. Deliveries of U.S. goods to Austria were almost 73% higher during the January/February period than a year ago, a pace not apt to be maintained for the whole year but nevertheless indicative of vigorous growth. At the same time, Austrian exports to the U.S. advanced by over 32%. Accordingly the U.S. share in Austrian imports climbed from 2.9% to 4.4% and in Austrian exports from 3.1% to 3.4%.

Since last autumn, Austria has been pressing for an interim arrangement with the European Community within the framework of a GATT-compatible commitment to a free trade area or customs union type of arrangement. Initially the interim agreement would involve a 30% across-the-board cut of industrial tariffs and some relief for Austrian farm exports to the Community. While there was some hope in the beginning for such an agreement to be concluded by mid-summer, there is concern that if some of the issues are not resolved soon, Austria may have to queue up behind the United Kingdom and other applicants.

The continued growth of the Austrian economy, accompanied by higher prices for domestic goods, has created a growing demand for imports, a demand which the Socialist Government is likely to encourage. Preliminary data indicate that the rise in U.S. market share in Austria involved primarily tobacco and raw materials, particularly ores and scrap, and to a lesser extent, foods and feeds, and semi-finished products.

Although direct imports of finished goods are not growing, much U.S. machinery, heavy equipment and various other finished products is being supplied by American subsidiaries and licensees in Europe. As current negotiations involving major aircraft and nuclear power plant sales show, U.S. exporters should remain alert to the possibilities of big contracts in Austria involving inves ment goods.

Businessmen's consultations recently held in several provincial capitals showed again that there is still an unexploited potential for U.S. exports to all parts of Austria. Over 60 export-agency opportunities, 15 licensing opportunities, and five joint venture opportunities were developed during these consultations.

American products for which interest was expressed included food specialties; feedstuffs; cosmetics; petrochemicals; chemicals for the textile industry; man-made textile materials, yarn and grey fabrics; plumbers supplies; machinery, equipment and supplies for the building industry; industrial supplies including plastics materials; EDP peripheral equipment and software, and the broad range of items serving leisure-time occupations. A substantial portion of the 5% increase in consumer expenditures expected for 1970 will be spent for this last category, thus generating a brisk demand for leisure-time apparel, hobby materials, do-it-yourself tools and kits, games and sporting goods.

Moreover, the many replies received in connection with the Embassy's first issue of its commercial newsletter indicate that there is also interest in handling all other kinds of capital and consumer goods which are new or superior to those already on the market.

On the export side, Austria is making great efforts to develop markets in areas other than the EEC. Consequently, exporters register with great concern any indication of trade protectionism in the United States, where their sales are thriving. In the first two months of 1970 exports to the United States were almost 33% higher than in the same period of 1969, whereas overall Austrian exports rose by about 22% during the same period and exports to the EFTA and EEC areas rose by 28 and 15% respectively.

Austrian consumer goods were particularly successful on the U.S. market. However, Austria's relatively large exports of these items to the United States should not lead to the conclusion that there is no market in Austria for these same products. For example, a press report recently pointed out that German garment manufacturers (and a high percentage of Austria's garment industry is German-owned) produce high fashion garments almost exclusively in junior and slim women's sizes. While it is true that this group of buyers now has a higher purchasing power than ever before, the neglected group of female buyers with hip measurements over 38″ seems to offer business opportunities for U.S. exporters. With sporting goods and games the situation is somewhat similar. Austria exports a great portion of her production of winter sporting equipment, but the market for other sporting equipment is generally wide open to foreign suppliers.

Financial picture fuzzy

Austria wound up 1969 with a balance of payments surplus of $107 million. The current account was in the black for the first time since 1964. The 1970 showing will probably reflect an increase in imports as well as exports. At the same time capital imports will also rise as a result of credits which public and private interests are likely to raise abroad. The federal government alone intends to borrow about $115 million on foreign markets this year to cover a portion of its $346 million deficit. An expansion of domestic borrowing in the local capital market also is expected, along with a somewhat reduced level of long-term capital outflow.

Prospects for U.S. farm exports

Quality-wise, U.S. farm and food products continue to enjoy a good reputation in Austria. U.S. export prices for some staples in general have been moving at levels too high to attract much business from Austria. However, renewed interest on the part of the Austrian Tobacco Monopoly in procuring U.S. leaf at favorable terms under the Commodity Credit Corporation barter program is likely to enhance U.S. selling chances for tobacco in 1970.

There continues to be a strong and increasing local demand for U.S. soybean meal, which today claims a $7 million market in Austria. Given competitive prices, there should be fair-sized sales of such U.S. products as processed and fresh fruit, citrus juices, rice and hides, skins and furs.

U.S. poultry meat has been running into vigorous subsidized competition from European exporting countries, causing local sales of such meat to drop to an insignificant level.

Foreign Agricultural Service-sponsored point-of-purchase promotions currently being set up in Austria are expected to create a demand for U.S. food specialty items that are not yet widely known in this country and to push sales of products with a long-established market potential.

Some uncertainty has been engendered by the results of last month's elections, but no one expects any significant changes

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Foreign investment conditions described

According to the Socialist Government's declaration, foreign investment in Austria will continue to be welcome, provided that it serves the structural improvement of the Austrian economy. In practice this means: (1) it must create new job opportunities, particularly in industrially backward areas, (2) it must entail the application of advanced techniques and know-how, and (3) it must lead to the establishment of export-oriented industries. Within the scope of the Socialists' industrialization concept several measures are envisaged which will also benefit potential foreign investors—consultation services are to be provided to resident and foreign investors, and depreciation facilities are to be supplemented by the granting of bonuses for investment, notably in economically-backward areas.

Local government representatives emphasize their great interest in American investments in local business and their readiness to give investors initial assistance. Finally, with the relaxation of some U.S. export controls, Austria's traditional potential as an access route to the East European market should get even better.

in economic tempo to occur. The shift from a Conservative majority to a Socialist minority government will gradually entail some shifts of emphasis on economic priorities, as well as changes in several specific policies.

The new government itself is unsure at this point what its overall program will look like. It has announced, however, its intentions to stick fundamentally with past foreign economic policies, and internally it is being careful to avoid sudden changes which might undermine the confidence of the Austrian business community and the general public in the continued good economic health of the country.

Consumption catching up

The lively development of economic activity is being supported to an increasing extent by private consumption. This is especially significant when compared to the sluggishness of this sector (reflected in a real growth of only 2.8%) in 1969. Beginning with a gradual acceleration in the latter part of 1969, retail demand, which accounts for more than one half of overall private consumption, recorded growth rates of over 3% and 5% in the first two months of 1970.

Demand rose fastest for non-durable consumer goods notably photographic equipment, toys, sporting goods, paper, leatherware and clothing. This development in turn was reflected in a faster growth of output in the consumer goods industries, which had not fully participated in the overall upswing and therefore still had adequate capacities available to accommodate increased demand.

The growth rate in turnover of durable consumer goods is holding to its previous healthy rate. Any higher demand for household and electrical equipment, books, bicycles, and sewing machines would require an increase in personal incomes and a decrease in taxes, neither likely, however, as long as foreign demand keeps soaring and existing inflationary pressures remain. This danger may have been behind the Socialists' just-announced decision not to implement tax relief for small and medium income earners before Jan. 1, 1971, rather than on July 1, 1970, as was under consideration earlier.

The introduction of a shorter workweek has been used as justification for price increases which have recently taken place in numerous commodity branches and services. Most of these increases are not yet reflected in the consumer price index, however, which is currently averaging 4% above the level of a year ago. Increases authorized in recent months by the Wage/Price Commission for several important commodities such as beer, non-alcoholic beverages, some types of iron and steel, glass and metalware will no doubt add to the upward trend of price levels.

While meat prices, which are currently 10% higher than a year ago, are expected to level off, prices of seasonal foodstuffs, notably vegetables, might go up shortly, reflecting the impact of the prolonged winter and delayed planting seasons in most of Europe. Construction costs, presently about 9% higher than 12 months ago will go up further following a recent 8% rise in building wages effective April 1. This trend is being aggravated by an upward trend of building material prices.

Sharp price increases in West Germany will inevitably spill over onto the Austrian market, which derives 40% of all imports from that area. The Socialist Government has already announced its intention to keep in effect the price-stabilization measures enacted last year to neutralize undesirable effects of the D-Mark revaluation on domestic price levels. With labor organizations represented heavily in the new Cabinet, along with acknowledgment by the new government that excessive wage/price hikes would endanger Austria's international competitiveness, it is safe to assume that available instruments will be applied vigorously to prevent these pressures from getting excessive.

The Austrian Government tries to regulate production of most basic agricultural products through a system of marketing laws. While recognizing the need for a continuation of existing market orders for milk, grains and livestock, the new government does not see eye to eye with its Conservative predecessor on some of the principles on which these market orders are founded. The Socialists charge that current laws fail to prevent excessive production and farm sales of agricultural commodities. They say they will change this. Also, they will seek more rigid controls on exports of certain farm products—a notion to which the Peoples' Party Farmers League is violently opposed. Since the agricultural market orders are due to expire on June 30, the two parties will soon have to come to terms on these issues. Their differences on them may well represent the first major test of the new government.

Austrian authorities are increasingly concerned to avoid the inflationary trends developing in other western countries. The central bank rate was raised to 5% last January, but for some reason credit demand has been little affected. Credit outstanding is currently expanding at an annual rate of 17.4%, a worrisome rate to money experts. However, monetary authorities are not contemplating additional restrictions for the time being.

Due to the unabated upward trend of savings, which are currently expanding at an annual rate of 15%, the banks have been able to accommodate credit demand without difficulty, even though the National Bank's open market operations have drained excess bank liquidity. Occasional liquidity shortages were overcome by the banks' temporary repatriation of some of their foreign assets, heavier resort to the central bank's rediscount facilities, and the issuance of long-term bank bonds.

Fiscal operations, if carried on as scheduled in the approved budget, should not present any insurmountable new problems during the remainder of the current year. The new Socialist Government has announced a number of measures which will probably entail additional unbudgeted outlays, but it should be possible to accommodate them without difficulty. The preparation of the federal budget for 1971, on the other hand, will be a most difficult task. The new Finance Minister will have to close a budget gap estimated at approximately $540-550 million in 1971.

Hong Kong reflecting prosperity after decade of rapid expansion; economic future appears bright

Colony is Asia's largest per capita consumer of U.S. goods; trade with United States passed $1 billion mark last year

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Expectations of continued strong growth in trade, tourism, and industry promise another record-breaking year in the long history of mutually profitable U.S.-Hong Kong economic relations. Last year, the United States was again the Colony's leading trade partner by a substantial margin. Total U.S.-Hong Kong trade reached a new peak in passing the U.S. $1 billion mark for the first time. Today, Hong Kong is the largest per capita consumer of U.S. products in Asia. In 1970, steadily expanding U.S. sales to the Colony should exceed $375 million, while Hong Kong exports to the United States are expected to see further marked expansion—although some easing of growth rates may be evident during the second half of the year owing to developments in the American market. Already, first quarter trade figures show a substantial increase over the same period last year.

During the past decade, the rapid expansion of industry and tourism has brought Hong Kong a high degree of prosperity. The sixties saw exports of domestic manufactures increase four times, imports triple, tourism expand by five times, and bank deposits rise sixfold. The Colony's work force almost tripled in size; wages doubled while consumer prices rose less than one-third for a substantial increase in real wages; school places and hospital beds more than doubled; consumption of electricity tripled; and water storage capacity increased by five times. The decade confirmed Hong Kong's shift from an entrepot to an almost entirely export-oriented industrial economy. Rapid development of the garment, plastic, electronic and wig industries provided a welcome diversification from an earlier dependence on cotton textiles.

Hong Kong closed the decade in the midst of an almost unprecedented boom. Every economic indicator reflected vigorous growth—as well as shortages of labor, private housing and hotel accommodations. In the key trade area, Hong Kong statistics showed that domestic exports in 1969 surged to $1.7 billion, up 25%; reexports to $0.4 billion, up 25%; and imports to $2.4 billion, up 19%. The United States in its role as Hong Kong's overwhelmingly largest customer, purchased $726 million, or 42% of all domestic exports, followed by Great Britain which took 14%; West Germany, 7%; and Japan, 3.4%. Figuring prominently in Hong Kong exports to the United States were garments; plastic toys, flower and fruit; transistor radios and electronic components; and wigs. The United States also continued as Hong Kong's third leading import source, with sales rising 16% to $328 million to command 13.4% of the market. Japan held 23% and Mainland China 18%.

Purchases from the United States encompassed raw materials, semimanufactures, machinery and equipment for Hong Kong's burgeoning industries as well as more and better consumer products for an increasingly affluent work force.

Components and parts for Hong Kong's relatively young but flourishing electronics industry have constituted the leading U.S. export to the Colony in recent years. Shipments during 1969 were valued at over $73 million, a sharp 52% increase from the previous year. Demand stems mainly from American electronic companies located in the Colony which process the components and parts for shipment back to the United States or, along with locally-owned companies, assemble them into transistor radios for export largely to the American market. American plant managers foresee continued growth of their operations during 1970, though the pace of expansion may be somewhat lower than last year.

The second ranking U.S. export, unset diamonds, posted a 33% gain in 1969 sales to reach almost $42 million. In addition to a thriving local jewelry industry, Hong Kong serves as the distribution center for diamonds throughout the Far East. Colony dealers detect some slackening of orders since last fall; but report that 1970 sales, so far, are well ahead of last year.

While 1970 should be a good year, industry sources doubt that the exceptionally rapid growth rate of 1969 can be sustained.

Many American pharmaceutical firms use Hong Kong as a regional distribution center and significant amounts are reexported after having been warehoused or semi-processed. U.S. medicinal and pharmaceutical imports advanced 20% in 1969

CONTAINERS AWAIT SHIPMENT at Ocean Terminal, Hong Kong. Authorities in the Colony have invited bids for the development of four specialized container berths to be constructed within the next three years.

HONG KONG'S AIRPORT at Kai Tak, on the Kowloon peninsula, is a key point on international air routes. More than 300 scheduled flights a week are operated through Kai Tak by 23 airlines. With the advent of larger and faster aircraft, the 8,350-foot runway, built on soil deposited in the harbor, is to be extended.

to almost $15 million, and current sales are well ahead of expectations. Barring unexpected developments, the pattern of rising demand locally and in other parts of Asia should ensure a favorable trend in the foreseeable future.

Hong Kong also provided an attractive market for a variety of American textile goods including fabrics and clothing worth over $13 million. Sales of U.S. fabrics, non-cotton ($5.2 million) and cotton ($3.4 million), chalked up satisfying gains, and further advances are anticipated in 1970 because of demand from the garment industry and Hong Kong's numerous tailor shops catering to the tourist trade. Imports of better quality clothing ($4.6 million) also moved up and can reasonably be expected to register further improvement this year.

American non-electrical machinery, appliances and parts found a $13 million market last year. Air conditioners ($6.0 million), up 62% were the leading item. With hotel and apartment construction running ahead of 1969, sales prospects for air conditioners remain strong.

U.S cigarettes are widely sold throughout the Colony. Imports in 1969 were valued at $12 million, and last year's 12% increase stands a good chance of being equalled or exceeded in 1970.

Despite appreciable growth in Hong Kong's plastic toy and flower industry, imports of U.S. plastic raw materials registered only a marginal increase during 1969 to total $8 million. Although demand opportunities are present for suppliers of polystyrene molding and extrusion compounds, the competition from Japan is intense. The same applies to polyethylene molding and extrusion compounds used by the packaging industry. American firms in Hong Kong hold that unless there is greater incentive for U.S. producers to export, more business will go to Japan—in some cases to Japanese licensees of American companies.

Local dealers predict an expanding market for kraft paper and paperboard as Hong Kong seeks more and better packaging materials for its industrial exports. Imports in 1969 from the United States exceeded $5 million, a 24% rise over 1968.

Capital spending surge

Heavy overseas export orders, continuing diversification from cotton to manmade and wool fiber manufactures and blends and Hong Kong's labor shortage all contributed to a significant upsurge in capital spending by the textile and garment industry. Sales of U.S. textile machinery rose significantly to some $4 million. Because of good delivery positions, more competitive prices and the many built-in labor saving features of U.S. machinery, 1970 is expected to show increased sales of certain types of American spinning, weaving, knitting and garment making machinery.

The explosive growth of Hong Kong's wig industry last year was based largely on an exceptionally rapid increase in the use of synthetic fibers as opposed to human hair. U.S. supplies of modacrylic fibers jumped to over $2 million. Supplies remain extremely tight, and for the immediate future sales of U.S. fibers will be limited almost solely by the volume of American output available for the Hong Kong market.

Having recognized the usefulness of electronic data processing equipment as an effective operational and management tool, Hong Kong's business and government offer interesting markets for computer hardware and peripheral devices. Additionally, the lack of trained technicians and experienced personnel to fully utilize existing computer capacities suggest profitable opportunities for the sale of American know-how and technology. Although last year's sales of EDP equipment did not match the 1968 performance, American firms anticipate excellent business in 1970. An increasing part of their equipment may, however, be supplied by American-owned plants outside the United States.

U.S. agricultural products have also carved out an important market in Hong Kong—amounting last year to over $53 million. The biggest category, fresh fruit worth more than $15 million (up 40% from 1968), consisted principally of oranges ($10.4 million) and grapes $2.1 million). Nineteen-hundred and seventy shapes up as another good year, especially for oranges, which will benefit from new freight services and lower rates from the U.S. West Coast. Raw cotton shipments—long among the "top three" U.S. exports to the Colony—slipped badly in falling to $14 million. A further decline is expected in 1970 owing to limited U.S. short staple supplies and non-competitive prices, with only the possibility of a good crop year and heavy shipments in the last quarter to brighten an otherwise gloomy outlook. Imports of U.S. fresh meat, $5.6 million, should continue to make worthwhile gains, apart from frozen chickens ($3.5 million) which face strong competition from Mainland China and Denmark.

Additionally, ginseng, an aromatic herb highly esteemed for use in Chinese medical preparations, $4.3 million; animal feed, $3.7 million; and food preparations, $3.3 million, are expected to show further growth. On the other hand, shipments of U.S. unmanufactured tobacco will probably remain around the 1969 level of $3.8 million, while rice sales, $3.5 million, are likely to decline in favor of Hong Kong's traditional Southeast Asia suppliers.

Hong Kong's second largest money

earner, the tourist industry, enjoyed an exceptional year as civilian arrivals rose 24% to number over 765,000. Once again, American nationals were the largest group at 212,000 (up 33%), followed by the Japanese. A shortage of hotel accommodation will limit, but not prevent, continued healthy growth during 1970. The Hong Kong Tourist Administration conservatively estimates that the hotel industry needs an additional 7,000 rooms over the next five years. At least five new hotels are under construction and more are being planned.

Projections indicate that more than 1.4 million tourists will visit Hong Kong in 1975 and over 2.0 million by 1980. Undoubtedly, this offers challenging opportunities to U.S. investors, hotel management concerns and suppliers of basic hotel supplies and catering equipment. Last year, American interests made the winning ($21 million) bid for a choice hotel site and other U.S. groups are actively interested in undertaking various projects.

During the past year, the number of American firms in Hong Kong increased from around 400 to about 450. Almost half of these have regional responsibilities. Among the newcomers were representative offices of five large international banks, bringing the total number of American licensed banks and representative offices to fourteen. Other arrivals included consulting firms, buyers, electronic manufacturers, and a large number of concerns offering specialized commercial services.

Hong Kong's attraction as a regional headquarters site or manufacturing base rests on its excellent communication and transport links to the area, efficient port operations including the introduction of regular container service with the United States last year, well-developed air freight facilities, the sophistication of its financial and business community, first class medical and school facilities, a pleasant climate, and, as befits the most popular tourist crossroads this side of Honolulu, many pleasant amenities.

Also important to businessmen is Hong Kong's stable, well-administered government which allows businessmen the greatest possible freedom of action, a free port except for a very limited number of dutiable goods, personal and corporate tax rates that do not exceed 15% of gross income, and wage rates which by American standards are still very low. American firms in the Colony are confident of Hong Kong's future as evidenced by expansion of existing facilities in 1969.

Hong Kong's thriving industrial scene offers interesting joint investment and licensing opportunities. One joint venture—between ESSO Standard Eastern and the China Light & Power Co. Ltd. dating from 1965—has plans well in hand for an additional $45.5 million investment to keep pace with Hong Kong's heavy demand for electricity, which has been rising at the rate of 18% a year.

The electronics industry, which was unknown in Hong Kong before 1960, now includes around thirty wholly American-owned manufacturing plants with an estimated capital investment of over $20 million. Other U.S. manufacturing investments include plastic toy manufacturing companies, garment production, and watch assembly. In addition, U.S. interests have substantial investments in hotels, financial and insurance organizations, and trading companies. A labor shortage and higher wage and land costs relative to other Far East countries, aside from Japan, are not expected to preclude further U.S. manufacturing investment. But the nature and size of new plants will, perforce, be selective and limited by Hong Kong's changing economic situation.

To assist the large number of American businessmen in Hong Kong with regional interests, the Commercial Unit of the Consulate General has a Regional Information Center where copies of Trade Lists and basic U.S. Department of Commerce publications on all countries in the area are maintained. More specifically, regional trade opportunities are brought to the attention of appropriate American firms. A rapidly growing American Chamber of Commerce now in its second year can also provide experienced advice to U.S. businesses considering the establishment of a regional office in Hong Kong. The rate of growth of new regional offices may be slowed by an acute housing shortage.

Longer term outlook

Overall, the economic horizon is bright. The Hong Kong Government's successful handling of the 1967 communist-inspired civil disturbances has led to an increased confidence in the Colony's political stability—the essential basis for continued economic growth. Nevertheless, Hong Kong will have to cope with a number of problems including: a shortage of skilled and semi-skilled labor; the U.S. economic slowdown and its possible effect on Colony exports; man-made and wool fiber textile restraints proposed by the United States; and end of Commonwealth Preference if Britain enters the Common Market.

Even more fundamental to Hong Kong's future will be its ability to remain competitive in world markets, despite rising labor and other costs, by continuing to upgrade and produce more sophisticated products. In the past, the Colony has shown amazing resiliency and most Hong Kong business leaders are optimistic in the face of new challenges. They recognize that the policies of the Hong Kong Government will continue to give both local and foreign businessmen in the Colony the fullest possible scope for the exercise of their individual skills, experience and ingenuity in keeping abreast of—or a little ahead of—the constantly shifting patterns of international trade.

AUTHOR OF THIS ARTICLE, Donald C. Ide, congratulates C. C. Sze, Director of Faithful Trading Co., Ltd., whose firm was first in international sales in 1969 for Fulton Boiler Works Inc., Pulaski, New York.

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Finnish boom moderates

Some production bottlenecks appear, but real growth of 6.5% still expected this year

Finland's economic boom appears to be moderating, but a healthy increase in real gross national product is still expected in 1970.

The Finnish Gross National Product (GNP) increased by 8% in 1969, but this rate slowed somewhat during the first quarter. GNP for the first quarter was 7% above the comparable period of 1969 and was lower than the 9% growth attained during the second half of 1969. Because of strong basic demand, both internal and external, the Government now forecasts a GNP growth for 1970 of about 6.5% in real terms, according to the Economic Trends Report from the U.S. Embassy in Helsinki.

Production bottlenecks have begun to appear, however, in several sectors of the economy. Despite large investments by the wood, pulp, and paper industry during 1969, this capacity will not become available for the most part until 1971 or 1972. The metals and engineering industries (including shipbuilding) also need expanded capacities. Nevertheless, industrial output during the first quarter of 1970 rose by 10.2% over the same period in 1969. Initial Government estimates for the year called for an industrial output increase of 9%, but this may well be exceeded if exports continue to expand as favorably during the remainder of the year as during the first quarter.

One of the best

Last year was one of the best in history for Finnish industry, and production increased by 10%. Output of metal products, engineering equipment, clay and glass products, shoes, leather products, paper, and mining output exceeded the average for the industry. Finnish mines produced 10.4 million metric tons of ores.

Although the economic boom appears to be moderating, there is a strong and growing demand particularly for capital equipment to augment industrial capacity. Preliminary estimates by the Ministry of Finance indicate that the value of Finland's imports will go up by 18% in 1970. Investment goods are likely to show an even larger growth. Other developments include: electrical energy needs are predicted to rise by 10% annually and quadruple by 1990; there is interest in expanding the petrochemical industry; shipbuilding facilities are being expanded; and interest by authorities in pollution control equipment is rising.

Finnish industry representatives are aware that domestic supplies will not be able to meet all of their needs and that imports will be necessary.

The market for consumer products is gaining strength. Finnish purchases of agricultural products, including specialty foods, may be expected to improve in 1970 and beyond. Tobacco sales prospects over the longer term are not good, as evidenced by recent restrictions adopted to ban television advertising.

Payments in surplus

Even with a larger-than-expected rise in imports of raw materials and investment goods, Finland achieved a net current account surplus of $11.6 million as the trade deficit was more than offset by increased earnings from shipping and tourism. The long-term capital inflow in 1969 was limited to about $24 million as the international capital market was tight.

In the first quarter of 1970, it is estimated that Finland again achieved a small surplus, as export sales increased briskly while import growth tapered off. The trade deficit of $53 million probably was offset by earnings in the service account. Gold and foreign exchange reserves of $295 million at the end of March were appreciably larger than the $257.6 million at the end of December last year.

Estimates for the year are that although imports will continue to increase vigorously and create a trade deficit of about $143 million, the current account deficit can be limited to slightly less than $100 million.

Finland's trade and balance of payments requires close watching, because exchange reserves continue to be relatively small in comparison to annual import needs.

As in calendar year 1969, exports provided the primary stimulus for economic growth in the first quarter of 1970. Exports totaling $496 million were 22.1% above the same period of the previous year and exceeded the 21.3% average growth for 1969.

Exports to the world in 1969 totaled $1,987 million (f.o.b.). The export growth of metal products, machinery and equipment, and other finished products was most significant.

Imports, on the other hand, unexpectedly moderated and increased by 19% to $549 million (c.i.f.). This compares with a growth of 26.6% in 1969 to a level of $2,023 million (c.i.f.). Import growth of iron and steel products and clothing was noteworthy.

The negotiations for expanding economic cooperation between the Nordic countries (NORDEC) whereby a comprehensive economic union, including common external tariffs and other forms of cooperation, came to an abrupt halt in March. The Government announced that Finland was withdrawing from the proposed agreement because other Nordic countries had already begun negotiations on their association with the European Economic Community (EEC). Although the announcement stated that the agreement should not be signed "for the time being" it appears clear that these negotiations will not be resumed soon.

With respect to the EEC, Finland is aware that an expanded EEC could be prejudicial to Finland's export interests. The government therefore approached the European Commission at the same time as the NORDEC announcement was made requesting discussions on the possibility of concluding a special commercial arrangement. Finland's dependence on these countries for exports is overwhelming (one-half to two-thirds for many commodities) and thus Finland is much concerned.

On March 15-16 the non-socialist parties won a mandate by 112-88 over the opposition, and difficult negotiations are now under way to form a new government. No meaningful estimate is possible of the future course of Finland's economic policies until the new government is formed. There is general agreement, however, that the current stabilization measures have contributed to Finland's economic prosperity and growth. The new government, when formed, however, will undoubtedly have difficulty in extending the stabilization agreement in its present form to cover 1971.

Agricultural surpluses eased

Finland's problem of butter and wheat surpluses appears to be easing. The government adopted measures to encourage slaughtering of dairy cows and to withdraw land from cultivation. Dairy output increased by 2% in 1969 but is expected to decline in 1970. The soil bank system to withdraw land from cultivation was expanded in 1970 to include in addition to individually owned farms, land owned by joint stock companies, municipalities, townships and other groups.

To deal specifically with the "butter

mountain" which totaled 13,000 metric tons at the end of April, the government is considering subsidizing exports of some 5,700 metric tons of butter to Belgium. For wheat, the present stockpiles of roughly 350,000 metric tons, including those held by farmers, are not considered serious.

The forestry industry increased commercial fellings by about 11% in 1969 and plans are being carried out to expand the allowable cut. The MERA III reforestation program and others to follow are expected to increase the allowable cut significantly above the present 50 million cubic meters.

Capital investment demand in 1969 accelerated during the year and the gross domestic capital formation rose 18% by value and 13% in real terms over the previous year. This increase raised imports of investment goods by 42% in 1969. Estimates for 1970 by the government indicate a decline to a rate of 11.6%, but the private demand for investment goods, if met, could very well raise this figure. The assumed leveling-off in investment activities rests on the anticipated tightening of the monetary market which will reduce capital availability, and the willingness of affected industries to reduce expansion plans.

Consumer demand, spurred by higher wages negotiated in January, is continuing to rise. Private consumption rose by 7.4% in 1969. For 1970 the government estimates some easing in the expenditure rate to about 6%, but this may be on the low side.

Price and wage pressures

The government's economic stabilization measures kept a tight rein on wage and price increases in 1969. Consumer prices rose by 1.7%, the cost-of-living index by 2.3%, wholesale prices by 4.3%, and wages by 7.2% (4.5% in real terms) including social welfare benefits.

The stability of prices is expected to continue in 1970. The cost-of-living index was initially projected to rise by only 2.5%, but this target may well be exceeded if pressures now developing in the economy are taken into account. In January, labor received a negotiated wage increase of 5% which, together with the wage drift of 2-3%, would increase the earning rate by 7-8%, or more than the estimated 5% rise in productivity. The rising shortage of skilled labor will add to the pressures.

Moreover, evidence of insufficient plant capacity in many sectors of the economy as well as higher import prices will impose additional inflationary pressures on the economy.

The upsurge in economic activity increased employment by 42,000 workers or 2% of the labor force and reduced the average unemployment to 2.8% in 1969. This rate was markedly below the 4% rate for 1968. The unemployment rate for the first quarter of 1970 rose seasonally but the average for the year is projected by the government at 2%.

FINNISH INDUSTRY had one of the best years in the nation's history in 1969, with production increasing by 10%. Above, the recently-built newsprint mill at Summa, in eastern Finland.

The very favorable figures, however, disguise the fact that in the northern and eastern areas of Finland unemployment is still a serious problem. Some 15,000 members of the labor force are estimated to have emigrated to Sweden in 1969 to take advantage of the substantially higher wages there. This number is only slightly less than the increase in the Finnish labor force for the year.

Restraints tightened

Because the accelerated rate of economic expansion during the second half of 1969 gave rise to concern that the economy was becoming overheated, the government took a number of steps to moderate growth. Effective Oct. 1, the rediscount quota extended by the Bank of Finland to financial institutions was cut back. Banks were required to reduce their reliance on the Central Bank to a quota of 75% of the growth in deposits during the previous 12 months. This measure was further tightened for the period Apr.-Aug. 1970 with a cut-back to a target figure of 65%.

In November, the government submitted proposals known as the countercyclical fund system, later agreed to, whereby members of the Central Association of Finnish Woodworking Industries and the Federation of Finnish Industries are required to make deposits into either the Central Bank or in the existing investment reserve fund of each company, which will not be released except during a cyclical downturn in the economy.

These funds, however, which will total 400 million Finnmarks by April 1971, are to be returned to the contributing members in three installments, at the latest by the end of 1972, 1973, and 1974. The government is now considering extension of this system to other parts of the economy, including local authorities. Since these funds correspond roughly to 25% of the value of manufacturing investments in 1969, the government hopes that they will lead to a tightening of the financial market and a dampening of investment activities. High and rising levels of savings deposits, however, are expected to give banks some flexibility to expand loans, even under present guidelines.

Thus, it is not clear whether these measures will be adequate to deal with the situation. Greater flexibility in the fiscal sectors permitting higher taxes, now prevented by the stabilization agreement, may be required.

Both government and industry probably will attempt to borrow longer-term foreign capital, depending upon the availability and interest rates of loans. The government on its part will need to meet amortization payments on present loans, one-half of which will become due during the period 1970-73. Foreign investment may assist in this problem.

XUM

India sets growth goals

New Development Plan aims for 8-10% average annual gain in industrial output

The year 1969-70 marked the beginning of India's Fourth Five Year Plan, which aims at an average annual growth rate of 5% in agricultural output, 8 to 10% in industrial production and 7% in exports. Although long-term trends remain to be established, preliminary data indicate that agricultural output exceeded first year targets, but there was some lag in industrial production and exports, according to the Economic Trends Report from the U.S. Embassy in New Delhi.

Rising national income promises to stimulate industrial production during 1970 at a rate higher than in the last two years. New industrial investment, both domestic and foreign, continues to be hesitant, although there has been some pick-up in domestic investment in selected industries which are nearing capacity.

U.S. prospects favorable

Although total Indian imports declined further during 1969-70 due to the slow recovery of industrial activity and continued governmental efforts directed toward import substitution, current prospects, with rising industrial production expected during 1970-71, are for a moderate increase in imports. U.S. suppliers have fully maintained their relative share of the Indian market.

Indian demand for wheat, cotton, vegetable oil and tallow from the United States will continue relatively strong. Purchases of wheat under PL-480 are expected to amount to three million metric tons during 1970, in addition to at least 300,000 bales of raw cotton and 100,000 tons or more of U.S. vegetable oil. There is also the probability of certain commercial purchases, including 120,000 tons of U.S. tallow for soap-making.

During 1969-70 India imported, under the AID program and with its own free foreign exchange, an estimated total of 986,000 metric tons (nutrient content) of fertilizers valued at over $181 million. U.S. suppliers provided about 50% of this. During 1970-71 it is currently estimated that India will import about 675,000 metric tons (nutrient content) of fertilizers, primarily nitrogenous and potassic, valued at about $120 million. U.S. suppliers can seek export opportunities not only for AID-financed fertilizers but also for those financed by India's own free foreign exchange.

A considerable number of changes in India's policies toward foreign investment have taken place during recent months. Increased selectivity by the Government of India as to types of industry which are open to foreign investment has been noted. Approvals of new investments with majority foreign control are increasingly rare.

The four-year average of Indo-American collaborations approved by the Government of India through 1968 amounted to 40 per year. For calendar 1969 the number was 18. Approvals involving U.S. equity participation declined from a four-year average of 19 to 11.

Nevertheless, the new industrial policies indicate the possibility of foreign investment in some heavy industries in which private investment was previously discouraged. They also point toward some relaxation of procedures affecting foreign investment in many smaller enterprises.

Investor interest in new Indo-American enterprises or joint venture expansions has been noted in the hotel business, in fertilizers and chemicals, in rubber and plastics, and in a number of agro-industries. Investor interest has also been observed in electronics and in various other industries requiring sophisticated technology.

India's agricultural and industrial growth have set the stage for an acceleration of industrial expansion. However, some government economic policies and recent pronouncements have caused concern to business and have affected business confidence. Renationalization of 14 leading domestic private banks in March coincided with public discussion of the possible entry of the government into consumer industries on a significant scale. Extension of the government's activities in foreign trade and the possible expansion of price controls in several industries has been notably unsettling to business confidence. An extensive list of recent industrial policy changes also remains to be fully evaluated by business.

U.S. is top supplier

The United States is expected to continue to be India's leading supplier during 1970-71. The further decline in imports from the United States during 1969-70, projected on the basis of nine-month official data at about 20% below the total for fiscal 1968-69, was due to reduced foodgrain shipments, lagging industrial production and the continued emphasis by India on import substitution. During 1970, the level of U.S. exports, to a considerable extent, depends on the level of direct governmental assistance extended to India.

The United States also is expected to continue to be the primary source of new private foreign equity investment in India. Notwithstanding the sharp reduction in the number of individual joint-venture approvals, the overall level of U.S. investment is expected to remain relatively strong.

The 1969-70 crop year, ending June 30, gives clear indications of a record harvest due to favorable growing conditions throughout most of India. Official estimates are for 100 million tons of foodgrains. This compares with 94 million tons for 1968-69 and the previous record of 95 million in 1967-68. Increase in foodgrain supply per capita is estimated at approximately 4% over 1968-69 levels.

With continuing improvement in agricultural technology, including rising use of fertilizers, and with increasing acreage under cultivation with improved seed, the

What India is buying

Promising areas for U.S. exports to India include: specialized machine tools, food processing machinery, certain agricultural machinery and components, electronic equipment, and industrial instrumentation and measuring equipment. Demand continues for some transportation equipment, particularly for the Indian railroad system, as well as for aircraft equipment and spares. Mining, earthmoving and construction equipment are also in significant demand.

In the field of industrial raw materials and semi-manufactures requirements are broad and include: industrial chemicals, ingredients for fertilizers and pesticides, non-ferrous metals, alloy and special steels and, during the current period of steel shortage in India, many types of structurals and other steel mill products. Demand for medicinal and pharmaceutical intermediates and finished products is expected to continue strong.

prospects for continued gains in agricultural production are good. However, the greater portion of Indian agriculture remains under dry cropping with output heavily dependent on adequacy of the seasonal monsoon rains.

Prices moving upward

Foodgrain prices as of March had increased 11.1% over the same month of the preceding year, but stood 6.3% above the 1968-69 average; however, the March level was only 2% above March 1968. The index of foodgrain prices stood at 213.7 as compared with 192.3 for March 1969 and 209.5 for March 1968. For the next few months seasonal factors and government price support policies are expected to maintain prices to the farmers at incentive levels.

March prices of industrial raw materials moved upward by 10% over March 1969, and by 13% over the 1968-69 average. Raw jute was the principal exception to this increase, with a sharp decline in the jute price index.

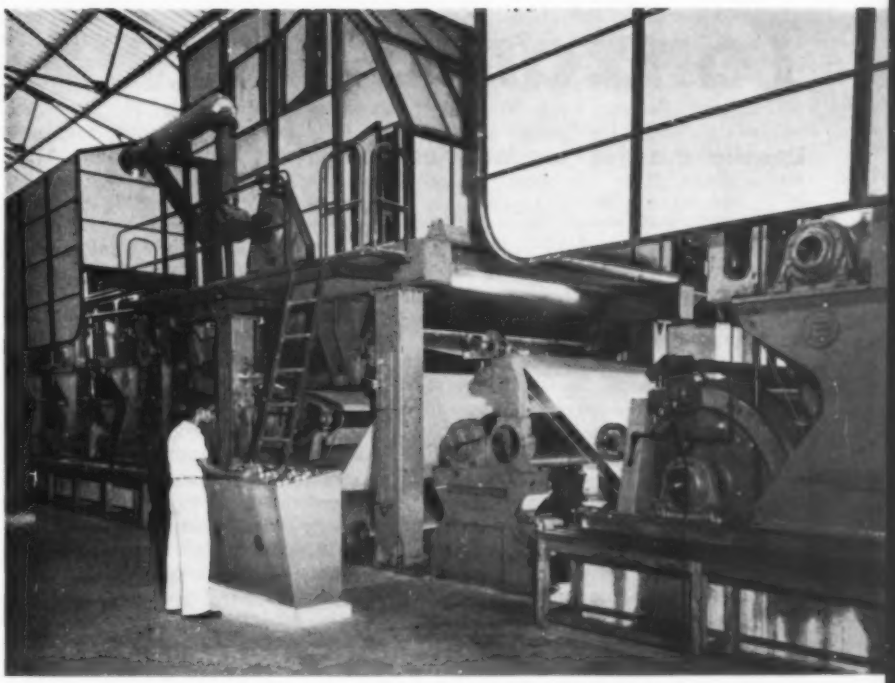
The wholesale price index of manufactures increased by 7.4% for March over the same month of 1969, and by 10.7% over the 1968-69 average. However, the consumer price index for industrial workers for January still stood at 215, compared with a 212 average for 1968-69 and 213 for the year before that.

Industrial production, which increased 6.7% in the first 11 months of 1969, maintained and slightly improved the rate of increase shown in 1968. Prospects are for this momentum to be maintained during the remainder of 1970 under the impulse of strong consumer demand and rising national income.

Increased purchasing power in rural areas promises rising sales in agro-industries, including tractors, other agricultural equipment, pumps and small irrigation equipment. In the latter, however, some inventory build-up is reported by smaller producers. Agricultural tractor manufacturers report substantial backlogs and increasing sales. With production of tractors in India at less than one-fourth of estimated demand and effective plant capacity at less than one-third of estimated demand, substantial plant expansion is taking place.

However, in most industries increased production has been taking place without significant increase in plant capacity. New investment remains generally hesitant, but a moderate increase in demand for machine tools indicates the probability of some early resumption of domestic industrial expansion.

The regional outlook is generally favorable in Western, Northern and Southern India for a steady improvement in industrial production. Capacity for fertilizers and chemicals of importance to the rural economy, as well as for agricultural equipment, is expected to show moderate growth during the current fiscal year. In Eastern India, particularly West Bengal, political problems and disorders have brought about a situation where the normal conduct of business is difficult. Some disinvestment in industries of this area is reported, but the tendency of discouraged investors has been to move capacity to other parts of the country.



INDIAN INDUSTRIAL PRODUCTION is expected to maintain the momentum built up last year. The paper machine shown is part of the Seshasayee mill, Madras, constructed by Parsons & Whittemore-Lyddon, N.Y.

Trade balance improving

A small increase in exports during the current fiscal year, coupled with a sharp decline in imports, resulted in an estimated excess of imports over exports of only $146 million as projected from nine-month official figures. Based on these projections, 1969-70 Indian exports increased by only about 2%, compared with 13% during 1968-69. Imports, however, declined by an estimated 19.9% for the latest year, compared with a decline of 9.5% in 1968-69. These declines are due in part to heavy emphasis on import substitution, slow recovery of demand in many areas of industry, and reduced imports of fertilizers and food grains. However, rising industrial demand, particularly for steel and other raw materials, is likely to result in increased imports of foreign goods into India during the current calendar year.

Gold and foreign exchange reserves moved sharply upward during 1969-70, and as of Jan. 31 stood at a recent high of $1,021 million, including $126 million worth of Special Drawing Rights allocated to India by the International Monetary Fund. While rising industrial activity points toward increased imports during 1970-71, foreign exchange reserves are fully adequate for all forceseable requirements.

National income at current prices is estimated to have increased by about 9% during 1969-70 over 1968-69. This represents a 5.5% increase at constant prices and compares with an increase of only 1.8% in 1968-69 over the preceding year. Per capita income at constant prices, which had declined the preceding year, increased by 3% during the 1969-70 fiscal year.

Lagos hotels fully booked

Due to the post-war influx of businessmen, all hotels in Nigeria's capital city of Lagos are now fully booked. The U.S. Embassy in Nigeria has notified the Commerce Department that visitors are advised not to come to Lagos without confirmed hotel reservations. Travelers should make hotel accommodations at least several weeks in advance.

XUM

Tanzania shows promise

Despite massive burdens, economy has sound base; U.S. trade role is small

Despite its massive burdens of poverty (a per capita income of $84), ignorance (illiteracy=85-90%) and disease (average life expectancy=40), Tanzania today possesses a surprisingly healthy base for future development. While spectacular, or even rapid, economic growth is too much to expect, the country is capable of making some steady progress toward a better life for its 13 million people.

This is the general conclusion of the Economic Trends Report from the U.S. Embassy in Dar Es Salaam.

Tanzania is not now and is not likely to become a significant trade partner of the United States, nor does it offer many attractive investment opportunities. Nevertheless, some trade and investment opportunities exist which U.S. business may find interesting.

In the first place it should be noted that the Government's present policies have both positive and negative aspects as far as the foreign trader and investor are concerned. The takeover of all trade above the retail level, described below, will mean the disruption of commercial relations between those companies now selling to Tanzania and their established agents. More seriously, it may also lead to the exclusion of their products from the Tanzanian market as the State Trading Corp. (STC) follows a policy of limiting the number of brands available. On the other hand, this presents the prospect of even greater sales if the foreign supplier is among those whose wares are kept on the market, while some of the competition is eliminated.

No foreign control

In the field of investment, it must be said that the Tanzanian Government will not allow any foreign investor (or domestic private investor, for that matter) to launch a large-scale undertaking without substantial Government participation. The National Development Corp.'s (NDC) usual policy in these matters is to insist upon 51% participation or more, but it is more than willing to enter a management contract over a period of years with the foreign partner. While this has its drawbacks, it also places the Government's interests in line with the investor's and provides the best available assurances of non-interference by Government in the running of the enterprise.

In the next few years it is probable that Tanzania, possibly with Japanese assistance, will try to assemble the finance to build a large hydro-electric power dam at Stiegler's Gorge. The pre-feasibility study has indicated that this could be a source of very cheap electricity, which presents a whole range of new industrial possibilities.

Tanzania possesses a reasonably sound economy, despite continued over-dependence on sisal, coffee and cotton exports, a strong currency, a stable government, a growing cadre of trained high and middle level manpower, and a well-defined set of national policy goals. Its national leadership has shown imagination and a capacity for innovation which is increasingly attracting the attention of students of economic development as well as officials of other poor countries.

Fortunate in having an administration which is relatively free from corruption and which makes a constant effort to eliminate it, the Tanzanian people appear to be wholeheartedly behind President Nyerere and his policies of socialism and self-reliance. The political system which he has fostered and which is described as a "one-party democracy" seems to fulfill the aspirations of the body politic, although debate on certain basic issues is precluded. The stability of the TANU Government after nearly ten years of power and eight years of independence is unquestionable.

During the First Five-Year Plan (1964-69), Tanzania's gross domestic product (GDP) grew at an average annual rate of about 4.4%. A predominantly semi-arid agricultural country with notoriously erratic rainfall, Tanzania failed to achieve the target rate of 6.7% growth largely because of bad weather and the severe drop in the world market price of sisal.

In the course of the Plan, agriculture's share of the GDP declined from 58% in 1964 to 50% in 1968, while other sectors' shares rose from a combined 39.5% to 48% (figures rounded). Total investment during the Plan period reached $593 million, or 82% of the Plan's target.

Shortage of finance was not the cause of the shortfall: the basic difficulty was a shortage of trained personnel qualified to prepare and execute projects. The country is, however, possibly the only one in Africa to have surveyed its manpower requirements for two Plan periods (a Three-Year Plan preceded the First Five-Year Plan) using the same methods and techniques and under the direction of the same, highly skilled advisor. It is believed to be the only African country to adopt and implement a policy of investing in post-primary education and training only in accordance with the kinds and numbers of skills needed for economic development.

The Government's ability to prepare and execute Second Plan projects should improve as its manpower program increases the output of high and middle level personnel. An interesting development during the First Plan was the shift from the projected dependence on external finance (78%) to internal resources which, in the event, accounted for about two-thirds of the finance utilized.

The Second Plan calls for a total investment of $1,128 million and a GDP growth rate of 6.5% per year. Major emphasis is being placed on rural development, logically seen as the key to uplifting a population which is 85-90% engaged in agriculture.

Tourism on rise

In addition to increased agricultural production and productivity, Tanzania should benefit in the near future from a rapid increase in earnings from tourism and transit traffic to and from Zambia. Several new luxury lodges have been built in the national game parks, at least five new hotels are under construction or on the drawing boards and a new international airport is being built with the object of enticing overseas tourists to fly direct to Tanzania's northern circuit of tourist attractions: Mount Kilimanjaro, Ngurdoto Crater, Mount Meru, Lake Manyara, Ngorongoro Crater and the Serengeti Plains.

Three additional berths will soon be in operation in the port of Dar es Salaam, doubling its wharfage. More berths are already under construction, with provision for containerized cargo. By the end of 1973 the highway from Dar es Salaam to the Copperbelt will be completely realigned, widened and paved. The Chinese-aided Tan-Zam Railway may be operating by the end of 1975.

In 1969 Tanzania achieved an overall balance of payments surplus of $21.9 mil-

lion. The substantial rise in the surplus was primarily due to a strong decline in imports, higher exports and a probable increase in net invisibles. The trade balance, which in 1968 was in deficit by $26.25 million, was back in surplus ($11.9 million in the first ten months). Expansion of domestic textile production is one of the main causes for the decline in imports. The country's balance of payments and external debt servicing are not expected to cause problems during the Second Plan.

Although the most recent national income accounts for Tanzania demonstrate that earlier accounts substantially underestimated the total production and investment in the economy and the growth rate of GDP, it is also true that earlier population censuses underestimated both the total population and its rate of growth.

Today the Government is increasingly aware of the pressure which the high rate of population increase (2.7%) is placing on the nation's ability to provide education, productive employment and an increased standard of living for its people.

As in most developing countries, there has been a drift of unemployed, unskilled labor from rural areas to the towns. There is also the familiar reluctance of many young people to return to rural life on their parents' farms after acquiring a few years of education. Unfortunately non-agricultural job opportunities and plantation employment are not expanding at a rate sufficient to accommodate them all.

Agricultural development itself continues to be hampered by the country's poor communications, lack of capital inputs, peasant ignorance of scientific farming and the traditional organization of production on the basis of small family farms. The shift-and-burn method of cultivation is still widely practiced, although declining availability of fallow land is curtailing this in some areas.

Socialism and self-reliance

Faced with the above problems and also with the politically unacceptable domination of the monetary sector of the economy by foreign interests and the resident Asian minority (about 1% of the population), the Tanzanian Government has pursued a socialist program of widespread intervention in the major fields of economic activity. This has resulted in the rapid growth of the public share of GDP, which stood at one-fifth of the combined monetary and non-monetary total in 1968. This trend can definitely be expected to continue.

Since early 1967 all private commercial banks (which were all foreign-owned), the insurance business, major food-processing factories, several large trading companies and industrial plants, and the major part of the sisal industry have been placed under public ownership and control. Compensation agreements have been reached with virtually all of the former owners, with the exception of the sisal estates, where the negotiations have been protracted.

In implementing this program the Government has created a large number of parastatal corporations to run the assets thus acquired. Currently one of the most important of these institutions, the State Trading Corp. is in the process of taking over all import, export and wholesale trade. This major economic structural change is to be completed by the end of this year. This raises a great many problems for overseas suppliers, whose local agents must sooner or later relinquish their representation.

While retail trade has not yet been nationalized, the Government is also encouraging NUTA, the national labor union, and the cooperative societies to enter wholesale trade. In some areas outside the capital several basic foodstuffs and building supplies are now distributed solely by cooperative unions.

The Government is also pursuing an industrialization policy, chiefly through its National Development Corp. (NDC). The NDC participates in a wide range of enterprises, but in all cases they are joint ventures with foreign or domestic investors who are given control of operations. A large number of the new and proposed industries are import-substitution measures (textiles, tires, cement, fertilizer, leather, gunny sacks) while others are export processors (instant coffee, cashewnuts, pyrethrum extract).

The largest industrial plant in the Second Plan is a proposed $50 million sisal pulp mill to convert sisal plants into high-grade paper. If successful, this may help prop up the country's largest employer of labor, the sisal industry, whose long-term future is not especially bright.

In the agricultural sector as a whole, the Government's policy it two-pronged. Most attention and public emphasis are being placed on the establishment of "ujamaa" villages. These are intended to be voluntary, communal, cooperative and socialistic villages, similar to the Israeli *kibbutzim*. The Government holds that this is the only way to transform the lives of the mass of the peasantry. Because of its commitment to egalitarian socialism, it repudiates the creation of an independent, individualist farmer-owner class who would, as they expand their holdings, create a class of employed farm laborers.

While some critics see the "ujamaa" village program as too Utopian to succeed, others feel it suits African sociological and cultural conditions and can work. In any case, the full array of Government-controlled incentives—land bank credit, veterinary services, extension services, free or subsidised seed, fertilizer and other supplies—are being directed more and more exclusively to the inhabitants of the villages, which creates a powerful motivation to join one.

The other aspect of the program, less publicized but potentially more important to the economy, is the creation, development and expansion of state farms as major units of large-scale production. These are being planned, where feasible, to serve as centers for the radiation of modern methods, technology and services to the surrounding countryside. A parastatal body, the National Agricultural and Food Corp. (NAFCO), was organized to run these farms which now embrace wheat, rice, sugar, livestock and tea.

The sisal industry has been separately organized under the Tanzanian Sisal Corp. With more efficient, centralized management, accounting and purchasing, lower overheads and elimination of marginal production—all of which are at least possible under the new body—the industry may be able to carry on at a low level of profitability, providing that world prices for hard fibers do not slide any further downward.

Zanzibar retains autonomy

The islands of Zanzibar and Pemba, briefly independent (Dec. 1963-April 1964) and now part of the United Republic of Tanzania, retain a considerable degree of autonomy under the Union Constitution. Because of this, these islands deserve separate consideration.

The policy of the Government of Zan-

Best bets for U.S.

U.S. manufacturers of capital equipment in several fields may find Tanzania, at least as part of the East African market, worth investigating. Fields of particular interest appear to be: road-building, telecommunications and hotel equipment, agricultural machinery, food-processing machinery, refrigeration and air-conditioning equipment. Investment in agriculture and food-processing offers some scope and American ability in these fields is appreciated.

XUM

zibar, which rules both islands, has generally been one of more rapid, radical and far-reaching socialization of the economy than has been the case on the Tanganyika mainland. All external and internal trade, with but few exceptions, is now in the hands of the Zanzibar Government or its wholly-owned organizations. All imports must come through the Zanzibar State External Trade Corp., known as Bizanje. The same organization also has a virtual monopoly of wholesale and retail trade.

A Zanzibar State Industries Corp. is responsible for the distribution, at home and abroad, of the production of certain state-owned factories. The principal agricultural exports—cloves, chili peppers and limes—are marketed exclusively by the Zanzibar State Trading Corp. (ZSTC). The private commercial sector is no longer of any economic significance.

The welfare of the Zanzibar-Pemba economy remains closely tied to the annual clove crop which, historically, has fluctuated widely from year to year. The major markets continue to be in the Far East, particularly Indonesia.

The existence of strict Government control over imports restricts the opportunities for the introduction and promotion of U.S. products. Sales of local products to the U.S. market are rare, but have included cloves, clove stem oil, lime oil and chili peppers. A major U.S. firm has expressed an interest in purchasing a larger consignment of chili peppers than the islands can currently supply. A U.S. market almost certainly exists for Zanzibar cinnamon and nutmeg, but there are not sufficient quantities available for export to interested American buyers.

In general, Zanzibar's trade pattern has shifted away from traditional suppliers in Western hard-currency areas and toward the Communist countries. Zanzibar has signed several trade and barter agreements with such countries to obtain consumer and other goods on soft credit terms.

Recently, however, there have been indications that Zanzibar is showing more interest in its traditional sources of supply, particularly the United Kingdom. Occasional trade opportunities do arise for U.S. exporters, in lines such as earthmoving and hospital equipment.

Although there is a shortage of qualified personnel in the Government and its organizations, which affects the Government's decision-making capacity, the Zanzibar Government is financially sound. It controls sizable foreign exchange reserves(currently about $40 million) in its own right and it has no difficulty paying for imports.

Portuguese performance is mixed; Government is considering moves to spur modernization of economy

Expanding commercial activity offsets poor showing in industry, agriculture; more liberal investment laws are proposed

Economic growth and modernization have been topics of heightened Portuguese interest in recent months, notes the semi-annual Economic Trends Report from the U.S. Embassy in Lisbon. The Government is considering measures that would bring about broad changes in the economy.

Available data indicate uneven progress in the economy. The principal grains crops have suffered from both rain and drought—the wheat crop in particular is expected to be rather poor. Fish landings and production of canned fish are also down. According to published figures, industrial production dropped sharply in mid-1969, but has now resumed an upward movement. Commercial activity appears to have expanded regularly, however, stimulated in part by tourist expenditures, the inflow of remittances and other transfers, and increased government outlays. Upward pressures on prices and wages continue to be a source of concern.

In addition to aircraft, the principal categories for U.S. sales include a wide range of machinery and appliances, telecommunications equipment and parts, non-electric power generating machinery, wheat, corn and leaf tobacco, all of which should do well during 1970.

Based on current trends, prospects for the next few months would appear to be best for wheat for blending to upgrade bread quality, soybeans and inedible tallow. Portuguese attendance at a recent U.S. food processing and refrigeration equipment show (Madrid) was good, indicating interest in high quality equipment in these fields.

Possible U.S. sales

Over the longer period, aggressive efforts by U.S. firms may reap sales of machinery and equipment for the highway and airport projects as well as contracts for design and consultant services. U.S. suppliers should also be interested in the possible expansion of the new SACOR refinery in Oporto. Although the present installation (fuels unit and lubricating oils unit) is still in the shakedown and testing phase, specifications reportedly are being prepared for the addition of a new fuels unit.

American firms exporting directly to Portugal can anticipate stiff competition from foreign suppliers as well as from U.S. subsidiaries operating in the EFTA and Common Market countries. In spite of revaluation of the deutschemark, West Germany continues to maintain its position as Portugal's principal supplier, and preliminary figures for January and February 1970 indicate that imports from Germany have increased at a rate in excess of that for total imports. In addition, the United Kingdom and other EFTA countries are benefiting from the reduction in Portuguese tariffs on their goods (from 60 to 50 % of the general schedule) which went into effect on Jan. 1, 1970.

Investment climate favorable

Portuguese Government policy makers have promised foreign investors a new deal—if they can satisfy Portuguese requirements. Sparked perhaps by criticisms of bureaucracy and the lack of a clear policy regarding foreign investment, the 1970 budgetary enabling act contained proposals for more liberal industrial tax incentives, simplified industrial licensing proceedings and reduction or elimination of customs duties on investment goods and materials.

According to high level government spokesmen, however, favorable treatment will be afforded only those firms which contribute to national needs, defined broadly to include the transfer of technical, administrative and marketing know-how to Portuguese nationals and the utilization, to the extent possible, of Portuguese applied research. Export industries have generally been treated favorably, resulting in the growing importance of the electronics and pulp and paper industries.

Potential investors in manufacturing will wish to follow closely developments in Portugal regarding European economic

integration. Recent increases in wages, and the underlying factors, will also be of interest to the prospective investor, not only as regards the cost of labor, but also as higher manpower expense becomes reflected in the cost of locally procured supplies and materials.

Since last October's National Assembly elections, the Government of Dr. Marcello Caetano has initiated a series of reforms which will be of considerable importance to economic development in Portugal. Among these is the restructuring of the Cabinet. In a move that should have salutary effects on bureaucratic efficiency, Dr. Caetano combined the Ministries of Army and National Defense, of Communications and Public Works, and of Corporations and Social Welfare and Health.

Coincidental with the restructuring of the Cabinet, a number of new personalities were introduced into the Government at decision-making levels. Many of these new people, together with Dr. Caetano's earlier appointees, are young, dynamic and aggressive in promoting the interests of Portugal. Referred to as "technocrats" by both their supporters and detractors, they are putting their stamp on proposals for economic change and industrial modernization.

One of the forces behind the proposals for change and modernization is Portugal's need to develop a national position regarding European economic integration. Faced with the possibility of British entry into the Common Market and the likely dissolution thereafter of the European Free Trade Association (EFTA), the Government has established a blue ribbon committee to report on the possibilities of Portuguese association with the Common Market. Whatever the ultimate decision—and the range of possibilities runs from outright rejection of the concept to a decision to seek full membership—it will be of considerable consequence to Portugal's trading partners and to foreign investment here.

Comprehensive policy outline

Portugal's Law of Means (Enabling Act) for 1970, the first drafted entirely by the Caetano Government, goes beyond the previous practice of merely outlining budgetary guidelines. In a comprehensive exposition of Portugal's economic policy for the year, the Law envisages an active Governmental role in the national economy to: (a) accelerate the rate of fixed capital formation in firms of recognized national interest; (b) provide incentives and support for changes in the financial and economic structure of Portuguese firms to strengthen their capacity to compete in progressively larger and more open markets; (c) promote better regional equilibrium in the process of economic development; and (d) maintain internal financial stability and the strength of Portuguese currency.

As steps towards achieving these objectives, the Law of Means: (a) introduces more progressive rates of taxation; (b) authorizes increased Government participation in the equity of new companies; (c) proposes a series of fiscal incentives for industries considered necessary for development; and (d) proposes extensive liberalization to the system of industrial licensing.

The 1970 budget itself, following previously established patterns, is "balanced," with receipts (including borrowings) and expenditures set at approximately $1 billion, up nearly 14% from 1969. While part of the increase will be absorbed by a recent pay raise for government employees, the budget follows the tenets of the Law of Means with increased emphasis on education and development.

Hostilities in Angola, Mozambique and Portuguese Guinea continue to place considerable demands on the economy; military and internal security expenditures are set at $367 million, 36.6% of the total expenditures. Moreover, military and internal security programs customarily exceed budget estimates and it is anticipated that 1970 costs will, as has been the case in recent years, be in the vicinity of 45% of the total on a closed accounts basis.

According to the most recent data released by the Portuguese Industrial Association, industrial production experienced a moderate upturn in early 1969, then drifted along until July when it dropped sharply. Production resumed its upward movement in September, but by December, the average monthly index was six points below that at the beginning of the year.

The uneven progress in industrial production is further compounded by problems in the sardine fishing and canning industries and less than happy prospects in agriculture. The sardine industry continues to be plagued by low catches and high costs of processing.

Agriculture, while contributing only 17% of the gross national product, employs an estimated 30% of the labor force. Hampered by inefficiency and a dwindling labor market (as the younger people move to the cities or emigrate to the Common Market countries in search of work), agricultural production is further beset by the vagaries of the weather.

Tourism has developed over the years into a major contributor of foreign exchange earnings and a stimulus to employment and investment in the hotel industry and related services. The number of tourists increased in 1969 by 10.9% over 1968 (to a total of nearly 2,800,000); visitors from the United States increased by 28% to a total of 304,000.

Business generally better

Business activity in general appears to have progressed steadily, despite the downturn in agriculture and the spotty record in industry. At year end, the value of commercial paper discounted was 13% over 1968 and increasing at a high rate during the last few months. At least part of the expansion can be attributed to the stimulus of tourist expenditures and private transfers (which together totaled $485 million in net foreign exchange earnings in 1969) and increased government spending.

Government investment under the Third Development Plan (1968-73) met budgetary targets in 1968 ($101.5 million) and may also have done so in 1969, although not even preliminary figures are available at this time. The 1970 budget calls for Government expenditures under the Development Plan of $152 million, with major emphasis on school construction, transportation and communications. Looking further into the future, the Government has announced plans for construction of a new international airport (across the river, on the Setubal Peninsula) and a multi-million dollar expansion of the toll highway system. Several U.S. organizations have already demonstrated interest in this latter project, which involves the design, construction and operation of some 480 kilometers of highway. Proposals for the project will be accepted until Aug. 31. The recent merger

Better import prospects

Government moves to facilitate investment and stimulate recovery from the economic slowdown heighten prospects for a continuing growth in imports. For the first two months of 1970, total imports were considerably ahead of the comparable period for 1969, as were imports from the United States. The U.S. share of the market is likely to vary considerably from year to year, with gains posted for those years in which large sales of aircraft and agricultural products are registered. Part of the decrease in 1969, for example, can be attributed to lower sales of aircraft and aircraft parts.

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of the largest producers and distributors of electric power (into the nationwide Empresa Portuguesa de Electricidade) should facilitate expansion of this industry. Several important hydroelectric projects are nearing completion, while construction on the 790 GW/h Valeira Dam in the Douro River system has just begun.

Figures on levels of private investment are either unavailable or dated to the point of bearing only limited relevance to current trends and developments. The more significant activity, however, appears to be in the export sector. Important investments announced recently include a cellulose plant in the North (150,000 tons a year capacity) and a chip board factory near Oporto. Electronics are rapidly becoming of major importance in the North (as well as in the greater Lisbon area). Phillips has acquired a plant in Ovar for the production of radio and TV components, mostly for export. Grundig has announced plans to enlarge its electronics industry complex in the Braga District, and unofficial estimates put Grundig's future annual capacity at 1 million radio sets, 500,000 TV sets and 200,000 tape recorders. Among U.S. investors, ITT recently acquired a Portuguese manufacturer of sewing machines and metal products, and Otis purchased a local elevator company.

Price and wage spiral unabated

The official consumer price index shows that prices in Lisbon at the end of 1969 were 8.8% over December 1968, with much of the increase registered during the last half of the year. Price trends in Portugal's second largest city, Oporto, were similar and increases were of approximately the same magnitude.

Tourist expenditures, an increase in the money supply (12.1% during 1969), and immigrant remittances are undoubtedly factors on the demand side contributing to the price spiral, but many observers are of the opinion that much of the problem is attributable to inadequate and increasingly expensive supply: a poor system of distribution for food products, absence of economies of scale in all but a few industries, relative lack of managerial talent, a declining labor force (as a result of emigration) and reduced agricultural output because of weather.

Wages are also rising, but are still much lower than in other Western European countries. There is no evidence at this time that wage pressures are declining, and employee demands are likely to continue to be supported by shortage of skilled workers, the rising cost of living and social pressures in general.

Preliminary figures for Portugal's foreign trade during 1969 show a moderate (4.5%) expansion of imports to a total of $1.2 billion.

West Germany continues to be Portugal's principal supplier, followed closely by the Overseas Provinces and the United Kingdom. Although a member of the European Free Trade Association (EFTA), Portugal imports considerably more from the Common Market countries as a group, the latter supplying 34.8% of all imports during 1969. In percentage terms, Japan's share of the Portuguese market showed the most significant improvement, doubling to 1.6%.

Export figures for 1969 show an increase of 7.9% over 1968, a rather healthy gain considering that sales abroad of traditional goods—canned fish, sardines and tomato concentrates—were down considerably. Nearly all other major categories registered increases, however.

Metropolitan Portugal's balance of payments showed a smaller than usual surplus in 1969—$12.3 million—compared to $65.2 million in 1968. Although there was the usual surplus on current account, this was very nearly absorbed by a deficit on capital account. While the capital account surplus has been declining in recent years, a surplus on the medium and long term capital account normally has been large enough to offset a short term capital deficit.

According to the Bank of Portugal, the capital account deficit does not represent a basic structural change in the balance of payments, but can be attributed to a decrease in borrowing abroad (including commercial credit) combined with repayments of previous credits. Even a temporary balance of payments deficit should pose no problems to the Portuguese economy since gold and foreign exchange reserves for the escudo zone are approximately $1.4 billion.

Investment interest in Swaziland rising

Preliminary negotiations are under way for the establishment of 30 new industries in Swaziland, representing potential new investments totaling $28 million. Industrial development proposals have been received from firms in several countries, including the United Kingdom, Japan, Holland, Germany, Taiwan and South Africa.

The first U.S. investment in Swaziland was made last fall by Libby, McNeill and Libby (INTERNATIONAL COMMERCE—Feb. 16). Libby has since been followed by an investment by Holiday Inn in the growing Swazi tourism market.

The negotiations now being held are a direct result of investment promotion activities sponsored by the Swaziland Government last year. Most of the recent developments will take place at the Matsapa industrial township, near Manzini, where necessary infrastructure has been provided. These include the rail links to Lourenco Marques on the coast of Mozambique. In addition to providing the necessary infrastructure, the Swazi Government provides tax incentives and labor training to attract foreign investment.

Exim loan to help Brunei natural gas plant buy U.S. goods

$14 million commitment will spur sales worth $32 million

The Export-Import Bank of the United States has announced the authorization of a direct loan of $14 million to Brunei LNG Ltd., to help finance the purchase of U.S. goods and services required in the construction of a four-train, four-million-ton per year liquefied gas plant.

Eximbank has also authorized a financial guarantee of a loan of $14 million to be made by First National City Bank of New York and a guarantee of a local cost loan of $4.95 million. Total cost of purchases in the U.S. is estimated at some $32.5 million. PROCON Incorporated of Des Plaines, Illinois, through a joint venture with Japan Gasoline Company, is responsible for the services required in connection with the supply of these materials.

The borrower will make a cash payment of 15% of the cost, about $4.9 million.

The purpose of the project is to supply customers in Japan with liquefied natural gas (LNG), with initial deliveries to Japan scheduled for the winter of 1972/1973. The raw gas will be purchased by Brunei LNG Ltd. from Brunei Shell Petroleum Co. and processed in the new plant. Brunei is an independent sultanate located between the Malaysian States of Sarawak and Sabah on the northern coast of the island of Borneo.

Eximbank's direct loan of $14 million is to be repaid in eight semiannual installments beginning in November 1977, with interest on outstanding balances at the annual rate of 6%. All the financing will be guaranteed against commercial risks by Shell Petroleum N.V., Mitsubishi Shoji Kaisha, and the Government of Brunei.

New Eximbank loans, credits back export sales of U.S. jets worth $709 million

Unit has stimulated overseas sales of over $1 billion in U.S. aircraft so far in 1970; total for entire year 1969 already surpassed

Recent Eximbank credits and loans totaling just over $196 million will finance the sales of U.S. jet aircraft valued at almost $709 million in nine countries.

A loan for $30.9 million will finance approximately 27% of the cost of four Boeing 747 jet aircraft, related goods and services costing some $115 million, being purchased by Air France. Some 18%, or $21 million of the total cost will come from Air France's funds and the balance of the financing will be extended by U.S. suppliers, U.S. commercial banks, and foreign financial institutions not yet selected. Non-U.S. funds, including the cash payment, will represent 45% of the total.

A second loan to Air France is for $11.5 million and will finance 36% of the cost of four Boeing 727 jet aircraft with related goods and services costing some $31.9 million.

Private French airline

Another French airline, the privately-owned Union de Transports Aeriens (UTA) has received a $12 million credit to help finance the purchase of two DC-10 jet aircraft, related equipment and services. Eximbank's loan represents 24% of the total cost of purchases from the United States which is some $50.3 million.

UTA routes connect Paris to points in Africa, the Canary Islands, and South Asia. The airline also has an Australia-South Pacific route system and has several weekly flights connecting Tahiti to Honolulu and Los Angeles.

A $33.4 million credit to Swiss Air Transport Company, Ltd. (Swissair) of Zurich, will help finance the purchase of six DC-10 jet aircraft, related equipment and services. Eximbank's loan represents 24% of the total cost of the purchases from the United States which is some $139.3 million.

The borrower will make a cash payment of 18.5% of the contract price. The remaining financial requirements will be extended by McDonnell Douglas, General Electric, and other U.S. and foreign lenders.

Another $33.4 million credit, to KLM Royal Dutch Airlines of the Netherlands, will help finance an identical purchase of six DC-10 jet aircraft, with related goods and services.

Again, the borrower will make a cash payment of 18.5% of the contract price. The remaining financial requirements will be extended by McDonnell Douglas, General Electric, and other U.S. and foreign lenders.

A $26.6 million credit to the Government of Australia will help finance the purchase by Qantas Airways of four Boeing B-747 jet aircraft, related spares, parts, services, and ground equipment from the United States.

Pay 60% of cost

Qantas and the Australian Government will make a cash payment of $44.4 million, or 60% of the total cost of $73.9 million and The Boeing Co. will finance $3 million, or 4% of the total cost. Qantas is wholly-owned by the Commonwealth of Australia and operates as the country's flag carrier on international routes.

A $25.5 million credit to Japan Air Lines Company (JAL), will help finance the purchase of three Boeing 747 jet aircraft, installed engines, spare engines, parts and equipment, costing a total of some $83.8 million.

JAL will make cash payments of $27.1 million or 32% of the contract price. The official Japanese flag carrier, JAL is 50%-owned by the Government of Japan. The new aircraft will be used in the expansion of the company's international services.

A $15.8 million loan to Societe Anonyme Belge D'Exploitation De La Navagation Aerienne (SABENA) of Brussels, will finance some 28% of the $56.3 million cost of two Boeing 747 jet aircraft, spare parts and related services.

The borrower will make cash payments from non-U.S. sources of 58.1% or $32.7 million of the total cost of items and The Boeing Company will finance 3.1% or $1.8 million.

Established in 1923, SABENA is Belgium's principal airline furnishing scheduled and charter services between Belgium and more than 40 countries in Europe, Africa, North and South America, and the Middle East and Asia.

A $4.7 million loan to the Canadian Pacific Railway (CPR) will help finance the purchase from the United States of two Boeing 727 jet aircraft, spare engines, related equipment and services for a total contract price of some $13.1 million.

CPR will purchase the aircraft and lease them to Canadian Pacific Air Lines Limited, its wholly-owned subsidiary, for use in its domestic service. CPR will make cash payments of $7.9 million or 60% of the contract price from its own funds and from Canadian borrowings.

Eximbank's first credit to Braathens South American and Far East Airtransport, A. S. (Braathens) of Oslo, Norway, in the amount of $2.2 million, will finance 36% of the cost of one Boeing 737 jet aircraft, spare engine, related spares and equipment costing a total of $6 million. The borrower will make a cash payment of 20% of the contract price.

Established in 1946, BRAATHENS is a privately-owned airline furnishing scheduled services domestically with charter and tour operations throughout Europe.

Eximbank has financed the export sale of about $1,098 million worth of U.S. aircraft to 15 foreign countries thus far in 1970, through loans and credits totaling approximately $322 million. The total for the entire year 1969 was about $735 million.

Chilean paper mill to buy U.S. goods with Exim loan

The Export-Import Bank of the United States has authorized a credit of $3,252,900 to Compania Manufacturera de Papeles y Cartones, S.A. (CMPC) of Santiago, Chile, to finance one-half of the costs of U.S. goods and services required in the expansion of a paper mill located near Concepcion.

The balance of the U.S. costs of $3,252,900 will be extended by The Fidelity Bank of Philadelphia. Total cost of the expansion project is estimated at some $18.6 million.

Beloit Corp. of Beloit, Wis., will be the U.S. supplier of the high speed machine and related equipment designed to produce 100 metric tons per day of tissue paper products to meet the increased needs of the Chilean market. CMPC, a private company, has been in operation since 1923 and is now Chile's largest producer of pulp and paper, and one of the largest in South America.

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June 25 hearing set on Texas Trade Zone application

A June 25 hearing has been scheduled in connection with a proposed general-purpose trade zone at McAllen, Texas. The zone would be located on a 40-acre site owned by McAllen Trade Zone, Inc. Hildalgo, a city adjacent to McAllen, is a Customs port of entry.

The hearing will be held at the McAllen Municipal Building, City Commission Meeting Room, 311 North 15th St., beginning at 10 a.m.

Foreign-trade zones and sub-zones are areas under Customs supervision, where foreign merchandise may be brought without the requirement of a formal Customs entry. The goods may be stored, manipulated, manufactured and exhibited therein, and duties need not be paid unless and until the goods enter U.S. Customs territory from the zone.

An Examiners Committee has been appointed by the Board's Acting Executive Secretary to investigate the application and report its findings to the Board.

The purposes of the hearing are to inform interested parties concerning the application, to afford them an opportunity to express their views, and to obtain information useful to the Examiners Committee. Requests to be heard and written summaries of testimony should be sent to Milton A. Berger, Chairman of the Examiners Committee (McAllen), Foreign-Trade Zones Board, Room 3833, U.S. Department of Commerce, Washington, D.C. 20230, by June 11. The hearing record will remain open for 30 days following the close of the hearing, during which time submissions may be made in writing to Berger.

A copy of the application and accompanying exhibits is available for inspection at the U.S. Post Office in McAllen, Rm. 5102 of the Federal Bldg. in Houston, or Rm. 3833 in the Commerce Department in Washington.

Lebanon issues first tender for drug purchase program

The Lebanese National Social Security Fund issued tenders on Apr. 28 for the initial purchase—estimated at $3 million—of medicine to be distributed under the country's new medical insurance program, which insures workers registered under the social security system as well as their dependents. One hundred and one firms have been invited to bid, of which 25 are American. Of the 25 U.S. firms, 18 have offices in Beirut, where they have formed a working group under the auspices of the Pharmaceutical Manufacturers' Association.

About 225,000 workers will be covered under the plan, and an estimated 405,000 dependents will also be eligible. Annual medicine cost is estimated to be about $8 million.

Under the system, the drugs will be distributed at "cost" through cooperating pharmacies, which will be permitted to add a 25% markup. The patient will pay the "cost plus markup" price directly to the pharmacy, and will then apply to the Social Security Fund for a 70% rebate.

In 1968, Lebanon imported some $14 million worth of pharmaceuticals of the type which will be included in the Social Security Plan. About $2 million was purchased from the U.S., or 15% of the market. Since it is likely that most of the drugs imported by the Social Security Fund will ultimately be purchased by those who could not previously afford pharmaceuticals, the country's pharmaceutical imports probably will show an immediate increase of $6 to $7 million a year.

U.S. discourages investment, trade with S.W. Africa

U.S. Ambassador to the United Nations Charles Yost has announced new U.S. ernment policies with respect to trade with and investment in Namibia (South West Africa). These policies, announced May 20, are:

- The U.S. Government will officially discourage investment by U.S. nationals in South West Africa.
- Export-Import Bank credit guarantees will not be made available for trade with South West Africa.
- U.S. nationals who invest in South West Africa on the basis of rights acquired through the South African Government since adoption of General Assembly Resolution 2145 (Oct. 27, 1966) will not receive U.S. Government assistance in protection of such investments against claims of a future lawful government of South West Africa.

Officials expect that these actions will exert an inhibiting influence on future U.S. commercial relations with South West Africa. The United States continues to oppose mandatory economic sanctions against South Africa or the Portuguese Territories.

About 18% of eligible U.S. exports use simplified document procedure

Declarations on general license shipments to non-Communist countries can now be submitted direct to participating carriers at port of export

Approximately 18% of eligible U.S. shipments are being exported under the simplified No Authentication Required (NAR) procedure introduced on Jan. 1.

The purpose of the procedure is to expedite the movement of export cargo by eliminating prior presentation of the declarations to Customs for authentication.

Under the NAR procedure, export declarations covering general license shipments to Free World countries may be submitted direct to participating airlines and steamship lines at ports of export. Participating airlines and steamship lines are those which have agreed to review the declarations for acceptability before loading the cargo and to forward them subsequently to Customs for further review.

The NAR procedure does not apply to shipments to Canada, since Customs authentication of most export declarations covering shipments to that country was not previously required. Neither does it apply (a) to general license shipments to Southern Rhodesia or to Cuba and the Communist countries of Eastern Europe and the Far East; (b) to shipments moving by land to Mexico; or (c) to validated license shipments regardless of destination.

As of May 15, most major airlines and steamship lines had requested and received approval to participate in the procedure. Exporters and freight forwarders may obtain the names of participating carriers at particular ports from local Customs offices.

Use of the NAR procedure has been steadily increasing, and the Commerce Department expects the growth to continue.

Complete information on the procedure may be obtained from Department of Commerce field offices, Customs offices, the Foreign Trade Division of the Commerce Dept's Census Bureau, Washington, D.C. 20230, or the Commerce Department Office of Export Control, (BIC-840), Washington, D.C. 20230.

Products of four nations are available for U.S. firms to make under license

Goods being offered include modular square tubing, medical equipment, steering mechanism, storage rack system and polishing machines

Products from Great Britain, Canada, West Germany and Switzerland are available to U.S. firms under license.

The items offered include modular square tubing; a hospital cubicle track system for intravenous equipment; a type of steering mechanism for motor vehicles; a storage rack system; and de-burring and polishing machines.

For additional information and the name and address of the firm write the Office of International Investment, BIC-874, U.S. Department of Commerce, Washington, D.C. 20230, referring to the appropriate file number listed below.

A British firm is offering its new modular square tube construction system for production in the United States. The tubing is made primarily of 18-gauge cold-rolled mild steel, and has a high quality stove enamelled black finish, or an electrogalvanized finish. In some instances the tubing is made of aluminum.

The company says that the tubing is an integral part of its gravity conveyor system, of its office desk, shelving and partitioning system, and is widely used in the exhibition and display field, especially as point of sale aids. **File 1882**

A Canadian firm is interested in U.S. licensees to make its cubicle track, ceiling and mounted tracks, trolleys and suspension devices for hospital intravenous equipment.

The cubicle track is adjustable, and allows for flexibility within the wards. The license would include the equipment necessary for bending the track, access to extrusion dies, complete standard detailed drawings, and exclusive sales rights. **File 1883**

A West German inventor offers U.S. manufacturers patent rights on a licensing basis for his system of steering motor vehicles without a steering column. The system makes use of a roller chain, sprocket and wire ropes. A German patent for the invention was applied for in 1968. Full scale tests have not yet been carried out. **File 1884**

A Swiss firm offers manufacturing rights to U.S. companies for a fully automatic, hydraulically-controlled, mobile storage and archive rack system. The racks are built onto solid steel bases which roll on tracks attached to or are made a part of the floor. The system is designed for maximum utilization of storage area, and elimination of all useless between-rack space. The racks can be moved by hand or, in the case of large racks, by push-button-activated pneumatic drives.

Continuous plinths provide safety. **File 1885**

A Swiss company has developed a line of automatic de-burring and polishing machinery used for finishing metal items including micro-sized components.

The working principle of the machinery, which the company would like to have produced in the United States under a licensing agreement, is based on the so-called counterflow effect. Through this principle, components and abrasives oscillate in three dimensions in a chamber with special deflection points, and the items to be finished continually change their amplitude, position and feeding speed so that they are in continuous, perfect contact with the abrasives. The separation of components and abrasives is made automatically by changing the oscillating frequency.

The machinery, which was shown for the first time at the "Surface 69" international exhibition, is used by the Swiss watch industry and companies producing electronic and high precision components. **File 1886**

Joint venture or license goal of Australian firm

An Australian company seeks a license or joint venture to manufacture a wide range of gears for mining equipment. The firm is experienced in the field of precision gear cutting, has an excellent knowledge of the market and has well established contacts among Australian mining companies.

Write: Neville S. Shute, Managing Director, Newvale Engineering Co. Pty. Ltd., 21 Whiting St., P.O. Box 65, Artarmon, N.S.W. 2064, Australia. WTD. **P-70609.**

British firm wants license for molds, jigs, fixtures, gages, special purposes

British firm seeks to manufacture under license standard units for all types of American designed precision molds, high precision jigs, fixtures and gages and special purpose machines for any application to a maximum weight of two tons. The firm is also interested in manufacturing wire forming machines and dies for turbine blades.

The company presently designs, engineers and manufactures dies for investment casting, precision molds, plastic and diecast; jigs, fixtures and gages; special purpose machinery and materials handilng equipment.

Established in 1963, the firm employs approximately 70 and exports approximately 20% of its annual production to the U.S. and Europe.

Write: Brian Ludlow, Technical Sales Manager, Epic Precision Tools Ltd., 821 Yeovil Road, Trading Estate, Slough, Buckinghamshire, England. WTD. **P-70590.**

African resort complex, food chain are seeking U.S. ties

A recently formed partnership of residents of Kenya is seeking collaboration with American financial and hotel management groups for the establishment of a luxury holiday resort on the Kenyan coast. Facilities for deep sea fishing, land and sea safaris in East Africa as well as a marina, swimming pool, golf course and tennis and squash courts are envisaged.

The site of the new venture is at Kilifi on the Kenya coast about 35 miles from Mombasa and 340 miles from Nairobi. An air strip is located about 3 miles away. Various game parks are located within 150 miles of the planned development.

Plans also include the use of a U.S. designed geodesic dome structure for the individual chalets at the resort. The establishment of a local fiberglass boat manufacturing firm, in partnership with a foreign firm, is also contemplated.

Write: Derek L. D. Morgan, Zanji Safaris, P.O. Box 20033, Nairobi, Kenya or through the Nairobi Embassy. **P-70619.**

One copy of the Development proposal with an elaborate attachment containing color photos of the proposed site, structural plans and extensive data on the project is on file at the Office of Interna-

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tional Investment, Department of Commerce, BIC-878, Washington, D.C. 20230 (202-967-4065).

• A well established and successful food warehousing and retailing chain in Nairobi is interested in a joint venture arrangement with American participants. The Kenyan firm, presently family operated, is the largest operation of its type in East Africa. Purpose of the offer is to permit further expansion of their food processing operations and food retailing outlets. Participation in management would be welcomed and the magnitude of the proposed expansion program is open to discussion.

Write: Sultanali G. Nanji, Managing Director, Supermarket Ltd., P.O. Box 971, Nairobi, Kenya. WTD. **P-70616.**

Three British firms want U.S. licenses

A filter and related equipment manufacturer in Britain seeks licensing agreements. The firm is interested in the production of equipment utilized with pipelines such as filters, strainers, separators and pumps as well as hydraulic components. The company plans to build a new plant with a total floor area of approximately 7,000 sq ft.

Write: Norris Filters Ltd., Burrell Road, Haywards Heath, Sussex, England. WTD. **P-70611.**

A brochure describing the firm's product line is available on loan from the Office of International Investment, Department of Commerce, BIC-878, Washington, D.C. 20230.

• A British firm seeks licenses to manufacture any type of equipment that utilizes or generates hydraulic fluids for industrial purposes. This could include hydraulic pressure gages, pumps, valves, cylinders and water cleaners.

Currently, the company produces and exports air driven hydraulic pumps, isostatic presses and hydraulic test rigs. It employs about 160.

Write: Charles S. Madan & Co. Ltd., Atlantic St., Broadheath, Altrincham, Cheshire, England. WTD. **P-70613.**

• A producer of doors, blinds and partition walls is seeking a license from an American company to manufacture and distribute metal sections for suspended ceilings. The company is especially interested in negotiating with any firm having a potential "lay-in-grid" system.

Write: Vesta Equipment Ltd., Industrial Estate, Hirwaun, Aberdare, Glamorganshire, Wales. WTD. **P-70621.**

Nine Venezuelan plants available for purchasing

The Venezuelan Development Corp. (CVF) has announced that it is prepared to sell nine factories currently held by it. In some cases the firms are now inoperative. The facilities may be purchased by foreign interests and, in some instances, machinery may be purchased separately from the land and buildings. There is no sealed bid procedure nor any deadline for offers.

The plants available and the products they produce are as follows: milk products; soft ice cream; hot sauces, pickles, etc.; textile processing and related activities; canned food; plastic articles; sausages and ice cubes; glazed mosaics and venetian style porcelain; and bar soap and coconut oil.

Inquiries should be addressed to: Dr. Victor Marmol, Jefe, Departamento Administrativo, Corporacion Venezolana de Fomento, Edificio Norte, Centro Simon Bolivar, Caracas, Venezuela. **P-70608.**

A brief description in Spanish of the land, buildings and machinery in the various plants is available on request from the Office of International Investment, U.S. Department of Commerce, BIC-878, Washington, D.C. 20230.

Investment Assistance

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. "P" numbers should be used when writing about specific proposals.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington D.C. 20230 or the nearest Department of Commerce Field Office.

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations administered by the Office of Foreign Direct Investment, U.S. Department of Commerce, Washington, D.C. 20230.

Austrian firms interested in licenses for materials handling equipment, pasta

An Austrian company and its affiliates seek cooperative agreements with U.S. firms engaged in steel service activities such as the cutting, bending and placing of reinforcing bars. They are interested in a license or joint venture to manufacture or assemble advanced materials handling and in plant transportation equipment. The products would be marketed in Austria and other selected European countries.

The parent concern operates a steel service center and facility for the cutting, bending and placing of reinforcing bars for the construction industry. A subsidiary specializes in the production of materials handling and in plant conveying apparatus.

It has recently designed and manufactured a fully automatic, computer controlled warehousing system for a large Austrian carpet company.

Write: Richard Bayr, Manager, BEST Baueisen-und Stahlbearbeitungs GmbH, Industriestrasse 25, A-4052, Haid-Ansfelden, Austria. WTD. **P-70602.**

• A long established flour milling company is seeking a license for the manufacture and sale in Austria, and selected European countries, of instant pasta and low calorie pasta for dietetic purposes.

Write: Dr. Hlemhart Kirchmayr, Managing Director, Welser Kunstmuehle F. Fritsch, Maria Theresienstrasse 41, A-4600 Wels, Austria. WTD. **P-70606.**

American partner sought for Cypriot chemicals and pharmaceuticals venture

A Nicosia company seeks U.S. participation in a joint venture to produce pharmaceutical preparations for human and veterinary use and agricultural chemicals. Estimated initial cost of the project is $120,000. The Cypriot firm will contribute 51% as required by local law. The American company is asked to provide 49% of the capital and will be granted equal rights of partnership.

Consumption of pharmaceuticals in Cyprus during 1970 has been estimated at $4.3 million. The proposed enterprise hopes to be in a position to meet 15-20% of this demand in its first year of operation.

It also plans to export a significant portion of its production to Near East and African countries.

Write: D. Doukas-L. Zachariades Ltd., P.O.B. 1422, Nicosia, Cyprus. **P-70591.**

World Trade Opportunities

Portugal will construct series of toll highways; seeks interested companies

The Government of Portugal has announced invitations to tender on projects involving the construction, maintenance, and operation of a series of toll highways. The highways to be constructed are as follows: Auto-estrada do Norte. (Vile Franca de Xira to Carvalhos), 273 kilometers; Auto-estrada do Sul, including the Acesso ao No vo Aeroporto de Lisboa (Fogueteiro to Setubal), 35 kilometers; Auto-estrada da Costa do Sol (Estadio Nacional to Cascais), 20 kilometers; Auto-estrada Lisboa-Sintra (Lisboa to Sintra), 20 kilometers; Auto-estrada do Oeste (Lisboa to Malveira), 20 kilometers; Auto-estrada Porto-Braga e Guimaraes (Porto to Braga e Guimaraes, 57 kilometers; Auto-estrada Porto-Povoa de Varzim (Porto to Povoa de Varzim), 23 kilometers; and Auto-estrada Porto-Penafiel (Porto to Penafiel, 32 kilometers. The lengths indicated are only approximate.

Bidding firms must guarantee financing of the roads in return for the right to operate the roads for up to 55 years. After that, the highways will be turned over to the Portuguese Government.

Bid deadline is August 31. A small number of copies of the tender specifications, terms, and conditions, in Portuguese and English, along with other pamphlets providing traffic census information, are available on a short term loan basis from the Construction and Building Materials Division, BDSA-645, Room 5611, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602). These publications can also be obtained, free of charge, from the issuing authority, Gabinete de Estudos e Planeamento, Junta Autonoma de Estradas, Ministerio das Obras Publicas, Praca do Comercio, Lisboa. Additional documents are also available from this agency for various fees.

NATO radio project in Greece open to certified U.S. bidders

The Installation Directorate, Branch C, Royal Hellenic Air Force Command has issued a NATO tender for the supply and installation of HF/SSB/5KW radio equipment. Bid deadline for expressions of interest is July 8, and the deadline for submission of bids is Sept. 8. Bid should offer three 5KW HF/SSB transmitters, four HF/SSB receivers, two 30KVA generating sets, two 15KVA generating sets, and four 5KVA generating sets.

This project has been classified as NATO confidential, and the tender is open to firms from NATO countries which, in addition to being on the NATO qualified bidders list, must have obtained a security clearance for projects up to and including confidential.

Prospective bidders must declare their interest in bidding by writing to Installation Directorate, Branch C, Royal Hellenic Air Force Command, 9 Lycourgou St. Athens by July 8. A copy of the official announcement is available on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: Code 202-967-4823)

Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

Burma asks bids on 140 types of machines, instruments, parts

Burma is inviting bids for various quantities of 140 types of machines tools, measuring instruments, piping and ducting materials, metal parts and materials, electric wiring materials, and miscellaneous materials and parts. The Tender No. is 44(T)PF&CIB(S)70/1100 and the bid deadline is June 15.

The Tender is invited by the Paper Factory & Chemical Industries Board, Union of Burma Applied Research Institute Building, Yankin P.O. Kanbe, Rangoon, Burma.

Terms and specifications are available on a loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: 202-967-2939). A review copy will also be available at the Dept. of Commerce Field Office, 11444 Federal Building, 450 Golden Gate Ave., San Francisco, California 94102. (Telephone: 415-556-5868)

Microwave link equipment desired for use in Pakistan

The Pakistan Telephone and Telegraph Department has issued Tender No. 21-5/70/761 for the supply and installation of microwave equipment. The bid deadline is August 31.

Bids should offer a multi-channel microwave system to link Karachi with Rawalpindi and Lyallpur.

Copies of the tender announcement and specifications are available from M.N.A. Kirmani, Divisional Engineer (Purchase) T&T Directorate General, Government of Pakistan Block No. 12, Room No. 2, Frere Road, Karachi, on payment of 250 rupees. One copy is available on a short-term loan basis to firms located in the U.S. from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4823).

Ireland wants two mobile automatic telephone exchanges

The Engineer-in-Chief, Contracts Section, of Ireland's Department of Posts and Telegraphs has issued Tender No. C/513/8/13 for the supply and installation of telephone equipment. Bid deadline is Aug. 13.

The bid should offer two mobile automatic telephone exchanges.

Copies of tender announcement and specifications are available from the Engineer-in-Chief, Contracts Section, Department of Posts and Telegraphs, Hawkin's House, Dublin 2, or on a short-term loan basis to firms located in the United States from the Communications-Electronics Division, BDSA-643, Room 4209, U.S. Department of Commerce, Washington, D.C. 20230. ★(Telephone: Code 202-967-4823)

Brazilian utility needs varied hardware for transmission lines

Sealed bids will be received by the Companhia Auxiliar de Empresas Eletricas Brasilieras (CAEEB) at the office of its Coordenador de Compras—Avenida Rio Branco, 135-15° andar, ZC-OO, Rio de Janeiro, CB, Brazil, until 2 p.m. on July 9, for the furnishing and delivery of bus insulators, suspension insulators, pin-type insulators and transmission line hardware. The desired products are described in CAEEB Specifications Nos. BX-A-11578-R, BX-A-11579-R, BX-A-11580-R, BX-A-11699-R and BX-A-11574-R, (Bid No. 48), and are required for the expansion of the subtransmission system of four electric utilities represented by CAEEB.

Bids are invited from suppliers in Switzerland or member countries of the International Bank for Reconstruction and Development (World Bank) which will finance the purchase.

Bids must be submitted strictly in accordance with the instructions and specifications prepared by CAEEB, and on the forms furnished. These instructions, specifications and forms, which comprise the bidding documents, will be available in both Portuguese and English and may be obtained only at the above address not later than thirty days after publication of this invitation for bids, upon request to the Coordenador de Compras, accompanied by a non-refundable payment of NC-$200 ($43.86) per set of documents in the two languages. The diplomatic representatives in Brazil of Switzerland and member countries of the World Bank will receive a complete set of the bidding documents.

A bid guarantee of no less than 5% of the value of the proposed material up to a limit of NC$32,500 ($7,127) of the equivalent in foreign currency, must accompany each bid.

Bids asked on World Bank financed irrigation projects in seven Mexican states

Mexico's Secretariat of Hydraulic Resources has announced bids for the construction of irrigation works in the States of Chihuahua, Coahuila, Durango, Nuevo Leon, San Luis Potosi, Tamaulipas, and Zacatecas. This undertaking will be financed by the World Bank.

The project will involve: a) construction of five storage dams, two of graded materials with an approximate volume of 700,000 cubic meters, and three of concrete and cement with an approximate volume of 65,000 cubic meters; b) construction of irrigation zones covering 25 miles of canals, including their structures; c) drilling of 42 wells for irrigation purposes; and d) supply and installation of 71 pumps and equipment with a flow of 60 to 100 liters per second.

For detailed information on the project and for registration (the fee is 50 pesos, or $4), interested companies may contact, directly or through an agent, Jefatura de Irrigacion y Control de Rios, Direccion de Pequena Irrigacion, Paseo de la Reforma No. 69, Septimo Piso, Mexico 1, D. F. The last day for registration is June 30.

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The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. The three-digit numbers and commodity classifications are from the Standard Industrial Classification (SIC) Manual. The five-digit numbers under each heading are from the Numerical List of Manufactured Products, 1967 Census of Manufacturers, Bureau of the Census and are used extensively by government and industry in classifying products.

U.S. firms should also be aware that the listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the *Department of Commerce Export Control Regulations* or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

NOTE: The SIC Manual is available for $4.50; The Numerical List of Manufactured Products (MC67-1) for $1.75 and the Export Control Regulations are priced at $12 a year. These publications may be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, or any of the 42 Department of Commerce Field Offices throughout the United States.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

● indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the International Liaison and Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputation, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Agencies

Specific foreign firms have expressed interest in agency agreements for the products listed below. Exclusive agencies for these products are wanted only if specified.

011 Commercial farms

01137—PERU—Wheat and cereals; seeds. Apex Peruana S.A. (agent), Las Begonias 552, Of. 33, Lima 27. WTD in preparation.

221 Broad woven fabric mills, cotton

22110—LEBANON—Manufacturers or suppliers of cotton suiting fabrics. Jamal & Mohamed Karahani (importer, distributor, retailer), Al-Tall St., Tripoli. WTD 5/70.

22115—SOUTH AFRICA—Cotton combed, rayon mixtures. Manufacturers' representative. Raymond & Marshall Ltd. (importer, distributor, agent), P.O. Box 8976, 507 Ottawa House, 94 President St., Johannesburg. WTD 5/70.

222 Broad woven fabric mills, manmade fiber, silk

22210—LEBANON—Manufacturers or suppliers of man-made fiber and silk suiting fabrics. Jamal & Mohamed Karahani (importer, distributor, retailer), Al-Tall St., Tripoli. WTD 5/70.

22213 — SOUTH AFRICA — Suitings of 100% spun rayon. Manufacturers' representative. Raymond & Marshall Ltd. (importer, distributor, agent), P.O. Box 8976, 507 Ottawa House, 94 President St., Johannesburg. WTD 5/70.

22217—SOUTH AFRICA—Polyester fabrics. Manufacturers' representative. Raymond & Marshall Ltd. (importer, distributor, agent), P.O. Box 8976, 507 Ottawa House, 94 President St., Johannesburg. WTD 5/70.

223 Broad woven fabric mills, wool

22310—LEBANON—Manufacturers or suppliers of wool suiting fabrics. Jamal & Mohamed Karahani (importer, distributor, retailer), Al-Tall St., Tripoli. WTD 5/70.

228 Yarn, thread mills, products

22284—NETHERLANDS — Bulked continuous filament yarns for carpet and upholstery industries; other raw materials for textile industry. Representation in Benelux area. N. V. Nederlandse Katoen- en Wol Compagnie NEKAWOL (Attn: J. C. M. Opperman, Mgr.) (agent), 257 Bredaseweg, or P.O. Box 251, Tilburg. WTD 4/70.

229 Textile goods

22991—SOUTH AFRICA—Bonded fiber fabrics (non-woven textiles). H. L. Hompes & Co. (Pty.) Ltd. (importer, distributor, agent), P.O. Box 3480, Johannesburg and ¾ Quebec House, President & Smal Sts., Johannesburg. (Telex No. JH 437571. WTD 4/70.

251 Household furniture

25114 — SWITZERLAND — Prefabricated kitchen cabinets, other elements to be built in. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet (distributor, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

254 Partitions, shelving, lockers, office, store fixtures

25420 — NETHERLANDS — Prefabricated partition wall systems. Representation, licensing and/or joint-venture arrangements. Sales territory Europe. N.V. MATAB (Attn: ThJ. de Gier, Gen. Mgr. (importer, distributor, building contractors & consultants/patent exploiters & lessors), 39ª Groenendijk, or P.O. Box 13, Nieuwerkerk a/d IJssel. WTD 5/70.

264 Converted paper, paperboard products

26440—SWITZERLAND—Wallpaper of all kinds; plastic coated for tapestry purposes. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet (distributor, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

26495 — SWITZERLAND — Stationery and paper novelties, displays, games, premiums, stickers. Cadox, (Attn: Claude Girardet), (importer, distributor, agent). Ave. de Chailly 6-8, 1012 Lausanne. WTD 5/70.

275 General commercial printing

27519—SWITZERLAND — Decalcomanias, transfers, pressure sensitives, stickers. Cadox, (Attn: Claude Girardet) (importer, distributor, agent), Ave. de Chailly 6-8, 1012 Lausanne. WTD 5/70.

281 Industrial chemicals

28151—GERMANY—Naphthol bases, salts for use in textile industry. Alwin Schneevoigt (distributor, agent), 23 Kirchstrasse, P.O. Box 15, D-7887 Murg. WTD 8/69.

282 Synthetic materials

28210 — SWITZERLAND — Fillers of all kinds for building industry made from plastics, synthetic resins. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet (distributor, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

283 Drugs

28341—SWITZERLAND — Pharmaceuticals affecting neoplasms, endocrine system, metabolic diseases. IBSA (importer, manufacturer, agent), Via al Ponte 13, 6903 Lugano. WTD 7/69.

28342—SWITZERLAND — Pharmaceuticals acting on central nervous system, sense organs. IBSA (importer, manufacturer, agent), Via al Ponte 13, 6903 Lugano. WD 7/69.

28343—SWITZERLAND — Pharmaceuticals acting on cardiovascular system. IBSA (importer, manufacturer, agent), Via al Ponte 13, 6903 Lugano. WTD 7/69.

28344—SWITZERLAND — Pharmaceuticals acting on respiratory system. IBSA (importer, manufacturer, agent), Via al Ponte 13, 6903 Lugano. WTD 7/69.

28345—SWITZERLAND — Pharmaceuticals acting on digestive and genito-urinary systems. IBSA (importer, manufacturer, agent), Via al Ponte 13. 6903 Lugano. WTD 7/69.

28348—SWITZERLAND — Pharmaceuticals affecting parasitic and infective diseases. IBSA (importer, manufacturer, agent), Via al Ponte 13, 6903 Lugano. WTD 7/69.

28349—SWITZERLAND — Pharmaceuticals for veterinary use. IBSA (importer, manufacturer, agent), Via al Ponte 13, 6903 Lugano. WTD 7/69.

284 Soap, detergents, cleaning preparations

28430—GERMANY—Assistants, finishes for textiles. Alwin Schneevoigt (distributor, agent), 23 Kirchstrasse, P.O. Box 15, D-7887 Murg. WTD 8/69.

287 Agricultural chemicals

28700—PERU—Wide range of agricultural chemicals. Apex Peruana S. A. (agent), Las Begonias 552, Oficina 33, Lima 27. WTD in preparation.

307 Plastic products

30791—SWITZERLAND—Heat and scratch-proof sheets and foils, colored or wood imitation, made from plastics or synthetic resins for application on kitchen tablets, cabinets, walls, etc. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet (distributor, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

30792 — SWITZERLAND — Plastic panels and similar materials in form of sheets, granulates or foamed with high thermic and noise insulation properties for construction use. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet (manufacturer, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

30798—SWITZERLAND—Plastic novelties, gadgets, premiums for automotive, stationery, hardware trades. Cadox (Attn: Claude Girardet), (importer, distributor, agent), Ave. de Chailly 6-8, 1012 Lausanne. WTD 5/70.

329 Abrasive, asbestos, nonmetallic mineral products

32961—SWITZERLAND — Mineral wools; similar insulation materials for structural use. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet, (distributor, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

331 Steel mill products

33120—INDIA—Steel mill products; mild steel sheets, plates and rounds; tool and alloy steel; stainless steel sheets; high speed steel bar and strips; cold rolled, cold annealed sheets and plates. Samuel Osborn (India) Ltd. (importer, distributor, agent), 1 Acharya Jagadish Bose Rd., P.O. Box #16423, Calcutta 20. WTD 2/70.

33120 — NETHERLANDS — Hot pressed steel and alloy parts. Representation, licensing and/or joint-venture arrangements. Sales territory Europe. N. V. MATAB (Attn: Th.J. de Gier, Gen. Mgr.) (importer, distributor, building contractors & consultants/patent exploiters & lessors), 39ª Groenendijk, or P.O. Box 13, Nieuwerkerk a/d IJssel. WTD 5/70.

335 Rolling, drawing, extruding of nonferrous metals

33512—NETHERLANDS—Hot pressed copper alloy parts. Representation, licensing and/or joint-venture arrangements. Sales territory Europe. N. V. MATAB (Attn: Th.J. de Gier, Gen. Mgr.) (importer, distributor, building contractors & consultants/patent exploiters & lessors), 39ª Groenendijk, or P.O. Box 13, Nieuwerkerk a/d IJssel. WTD 5/70.

33574—AUSTRIA—Wire and cable (UL and CSA standards) including coaxial cable. Ing. Franz Krammer, Elektro-Import und Grosshandel, (importer, distributor, agent), Ottakringer Strasse 63, A-1162 Vienna. WTD 4/70.

342 Cutlery, hand tools, general hardware

34521—NETHERLANDS—Industrial fasteners. Representation, licensing and/or joint-venture arrangements. Sales territory Europe. N. V. MATAB (Attn: Th.J. de Gier, Gen. Mgr.) (importer, distributor, building contractors & consultants/patent exploiters & lessors), 39ª Groenendijk, or P.O. Box 13, Nieuwerkerk a/d IJssel. WTD 5/70.

344 Fabricated structural metal

34492 — NETHERLANDS — Prefabricated steel buildings; cladding systems. Representation, licensing and/or joint-venture arrangements. Sales territory Europe. N. V. MATAB (Attn: Th.J. de Gier, Gen. Mgr.) (importer, building contractors & consultants/patent exploiters & lessors), 39ª Groenendijk, or P.O. Box 13, Nieuwerkerk a/d IJssel. WTD 5/70.

34493—NETHERLANDS — Concrete forming, form support and/or alternate systems; cladding systems. Representation, licensing and/or joint-venture arrangements. Sales territory Europe. N. V. MATAB (Attn: Th.J. de Gier, Gen. Mgr.) (importer, building contractors & consultants/patent exploiters & lessors), 39ª Groenendijk, or P.O. Box 13, Nieuwerkerk a/d IJssel. WTD 5/70.

353 Materials handling machinery, equipment

35319—NETHERLANDS — Steam winches and capstans for ships. Agency for Netherlands, Belgium. Handelsonderneming TECHNOSHIP (Attn: J. J. Siezen, Mgr.) (agent), 25 Ambachtshof, or P.O. Box 101, Bodegraven. WTD 4/70.

354 Metalworking machinery

35411 — THAILAND — Machine tools, all kinds for vocational training, preferably with semi-automatic system. Requests catalogs, brochures, c.i.f. Bangkok prices. Wattana Machinery Import R.O.P. (importer, distributor), 1056 New Road, Nai Lert Bldg., P.O. Box 164, Bangkok. WTD in preparation.

35452—PAKISTAN — Precision measuring tools. Requests catalogs, quotations, c. & f., Karachi. Alif Instrument & Furnace Co. (manufacturer, agent), IV/A-8/3, Nazimabad, Karachi-18. WTD in preparation.

35480—NETHERLANDS—Hand tools for automotive and industrial use; machine tools for automotive and industrial use, only if provided with a 220 volt/50 cycles or 380-660 volt/three-phase-50 cycles electric motor. Exclusive agency on commission basis. P. F. H. Paarlberg (importer, agent), 40 Maasstraat, Arcen (L). WTD 4/70.

355 Special industry machinery

35513—PAKISTAN—Complete sugar mill of capacity to crush 2,000 tons of sugar cane per day. Requests catalogs, quotations, c. & f., Karachi. Alif Instrument & Furnace Co. (agent), IV/A-8/3, Nazimabad, Karachi-18. WTD in preparation.

35521—GERMANY—Dyeing, finishing machinery and machinery for drying stocks, yarns, cloth, Alwin Schneevoigt (distributor, agent), 23 Kirchstrasse, P.O. Box 15, D-7887 Murg. WTD 8/69.

35591 — PAKISTAN — Hydrogen peroxide plant of 5 tons per day capacity. Requests catalogs, quotations, c. & f., Karachi. Alif Instrument & Furnace Co. (agent), IV/A-8/3, Nazimabad, Karachi-18. WTD in preparation.

35592 — PAKISTAN — Foundry machinery, equipment. Requests catalogs, quotations, c. & f., Karachi. Alif Instrument & Furnace Co. (manufacturer, agent), IV/A-8/3, Nazimabad, Karachi-18. WTD in preparation.

35595—SOUTH AFRICA — Machinery for making bandages of bound edge type. Food Plant & Packaging (Pty.) Ltd. (importer, distributor, agent), P.O. Box 339, Honeydew, Transvaal. WTD 5/70.

356 General industrial machinery

35690—NETHERLANDS—Ship's rudder actuating engines. Agency for Netherlands, Belgium. Handelsonderneming TECHNOSHIP (Attn: J. J. Siezen, Mgr.) (agent), 25 Ambachtshof, or P.O.Box 101, Bodegraven. WTD 4/70.

357 Office, computing, accounting machines

35733—AUSTRIA—Accessories, parts and attachments for punched tape and cards equipment. Correspondence requested in German. Gerta Schoenbichler (importer, distributor, retailer), Reichsstrasse 104, A-6804 Feldkirch. WTD 4/70.

35733—BELGIUM — Computing equipment, supplies, parts and attachments. Samson Computer Supplies (importer, distributor, agent), 83 Quai de l'Industrie, Brussels. WTD 4/70.

35791—NEW ZEALAND—Addressing, dictating, duplicating, other office machines (ex-

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cluding typewriters, accounting machines, scales, calculators and adding machines) and ancillary equipment. Solo agencies. J. M. Kennedy & Co. Ltd. Mgng. Dir.: J. M. Kennedy) (importer agent, retailer), 28 Lorne St., P.O. Box 401, Auckland. WTD 2/69.

358 Service industry machines

35892—NEW ZEALAND—Special industry machines and equipment, namely waste water and sewage treatment equipment, supplies of activated carbon or other material for control of enrichment salts, particularly phosphates from effluent of treatment plants. Sole agency. Engineering Technology Ltd. (W. D. McKenzie, Marketing & Development Mgr.) (importer, agent), Vita House, Khyber Pass Rd., P.O. Box 9535, Newmarket, Auckland. WTD 5/70.

361 Electric transmission, distribution equipment

36113—AUSTRIA—Electronic measuring instruments for industrial application. Ing. Franz Krammer, Elektro-Import und Grosshandel (importer, distributor, agent), Ottakringer Strasse 63, A-1162 Vienna. WTD 4/70.

36113—GERMANY — Electrical, electronic measuring and controlling instruments. METEK, Mess- und Regeltechnik, Barth KG (importer), 6053 Obertshausen, Geleitstr. 11. WTD 9/69.

362 Electrical industrial apparatus

36220—AUSTRIA—Industrial controls, particularly for power plants, petroleum and mining industries. Ing. Franz Krammer, Elektro-Import und Grosshandel (importer, distributor, agent, exporter), Ottakringer Strasse 63, A-1162 Vienna. WTD 4/70.

363 Household appliances

36360—SPAIN—Machinery and equipment for manufacturing ready-made clothing. Estudios TAI (engineering consultant), Duque de Sesto, 31, Madrid (9). WTD 5/70.

367 Electronic components, accessories

36790—AUSTRIA—Electric and electronic components other than tubes. Ing. Franz Krammer, Elektro-Import und Grosshandel (importer, distributor, agent), Ottakringer Strasse 63, A-1162 Vienna. WTD 4/70.

369 Electrical machinery, equipment, supplies

36940—NETHERLANDS—Electric automotive parts and accessories suitable for European cars; i.e., wiring connections, terminals, spotlights, switches, spark plugs, etc. Exclusive agency on commission basis. P.F.H. Paarlberg (importer, agent), 40 Maasstraat, Arcen (L). WTD 4/70.

371 Motor vehicles, motor vehicle equipment

37141—NETHERLANDS—Automotive parts and accessories suitable for European automobiles; i.e., horns, spotlights, valve caps, fan belts, copper tubing for gasoline, etc. Exclusive agency on commission basis. P.F.H. Paarlberg (importer, agent), 40 Maasstraat, Arcen (L). WTD 4/70.

37141—SPAIN—Parts, accessories for vehicular equipment. Miguel A. Leon Gonzalez (agent), Apartado Postal #1239, Santa Cruz de Tenerife. WTD 5/70.

382 Instruments for measuring, controlling, indicating physical characteristics

38213—PAKISTAN—Molding sand testing instruments; testing and analyzing instruments for metals. Requests catalogs, quotations, c. & f., Karachi. Alif Instrument & Furnace Co. (manufacturer, agent), IV/A-8/3, Nazimabad, Karachi-18. WTD in preparation.

386 Photographic equipment

38612 — NEW ZEALAND — Photocopying equipment and ancillary supplies. Sole agency. J. M. Kennedy & Co. Ltd. (Man. Dir.: J. M. Kennedy) (importer, agent, retailer), 28 Lorne St., P.O. Box 401, Auckland 1. WTD 12/69.

394 Toys, amusement, sporting goods

39410—SWITZERLAND—Novelty toys; advertising premiums. Cadox (Attn: Claude Girardet) (importer, distributor, agent), Ave. de Chailly 6-8, 1012 Lausanne. WTD 5/70.

39492—THAILAND—Golf equipment, accessories, related. Exclusive agency. Request catalogs, c.i.f. Bangkok prices. Suthikiati Chirathivat, Central Trading Co., Ltd. (importer, distributor), 306 Silom Rd., P.O. Box 471, Bangkok. WTD in preparation.

396 Costume jewelry, novelties, buttons, notions

39620—NEW ZEALAND—Fly tying materials, e.g. squirrel tails, bucktails, and bird feathers etc., to be used in the manufacture of flies for fishermen. Anglers Agencies Ltd. (distributor, manufacturer, retailer), 11 Market St., P.O. Box 728, Napier. WTD 5/70.

399 Manufacturing industries

39933—SWITZERLAND—Advertising specialties, premiums, signs, stickers. Cadox (Attn: Claude Girardet) (importer, distributor, agent), Ave. de Chailly 6-8, 1012 Lausanne. WTD 5/70.

39960 — SWITZERLAND — Plastic, other synthetic materials in form of sheets, tiles, for application on floors. Getaz, Romang, Ecoffey SA; Attn: Mr. Martinet (distributor, agent), 7, rue St. Antoine, 1800 Vevey. WTD 5/70.

39999 — SWITZERLAND — Miscellaneous novelties for automotive, stationery, hardware stores. Cadox (Attn: Claude Girardet) (importer, distributor, agent), Ave. de Chailly 6-8, 1012 Lausanne. WTD 5/70.

593 Antique, secondhand stores

59330—LEBANON—Used clothing. Jamal & Mohamed Karahani (importer, distributor, retailer), Al-Tall St., Tripoli. WTD 5/70.

Direct Sales

Specific foreign firms have expressed interest in direct purchases of the products below. See also the "Agencies" listing.

201 Meat products

20110—JAPAN—Animal organs (cow-bezoar & gall stone). Yamamoto Yakuhin Kogyo Co., Ltd., Teru Matsuyama, Man. Dir. (importer, distributor), No. 3 Honcho 4-chome, Nihonbashi, Chuo-ku, Tokyo 103. WTD in preparation.

205 Bakery products

20521—HAITI—Crackers. United Distributors S.A. (importer, distributor), Rue du Magasin de l'Etat, P.O. Box 1216, Port-au-Prince. WTD 8/69.

209 Food preparations

20961—GERMANY—Soybean oil, cake and meal; oilseeds, oil cake and vegetable oils of all kinds. Requests price quotations c.i.f. Rotterdam or Hamburg. Direct purchase and agency. Brand & Co. KG. (importer, distributor, exporter), 404 Neuss/Rh., Postfach 583. WTD 4/70.

222 Broad woven fabric mills, manmade fiber, silk

22210 — ISRAEL — Velvets, 100% filament rayon and/or acetate, 90/110/120 and 140 cm. wide; 100% cotton, 90 and 140 cm. wide; either remnants from 2 to 8 m. in length from jobbers, or piece-goods of 30 m. and over. Price quotations and samples requested by airmail. Kurt Cassriel (importer, distributor/wholesale), Carasso Bldg., 27 Herzl St., Tel Aviv. WTD in preparation.

243 Millwork, veneer, plywood

24322—IRELAND—Douglas fir plywood in sheathing grade for use as concrete shuttering. Doyle & O'Sullivan Ltd. (importer, distributor, agent), 135 St. Stephen's Green, Dublin 2. WTD 5/70.

249 Wood products

24995—JAPAN—Wood novelties, specialties. Aiwa Corp. (importer, exporter), Hioki Bldg., 2-25 Shimohioki-cho, Naka-ku, Nagoya. WTD 5/70.

264 Converted paper, paperboard products

26433—PAKISTAN—Two million, five hundred thousand 6 ply valve type paper bags made of unglazed kraft paper 72/75 grms. per sq. M. strongly sewn with 1¼" (double stripped) crepe kraft paper border at ends 110 grms. per sq. M. 77x42x8 cm. valve opening 95 mms to hold 50 kilos cement printed on one side. Requests catalogs, quotations, c. & f., Karachi. MESCO (importer), 67 Farid Chambers, Victoria Road, Karachi. WTD in preparation.

266 Building paper, building board mills

26611 — NETHERLANDS — Light weight roof slabs, supporting systems, other roofing

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

products, materials. Light weight, interchangeable dry wall partition systems with emphasis on low mounting costs. Direct purchase, representation or manufacture under license. Stramit C.V. (Attn: W. J. C. van Engelen, Gen. Man.) (importer, distributor, manufacturer), 107 Kanaalstraat, Someren, N.B. WTD 4/70.

281 Industrial chemicals

28100—JAPAN—Wide range of industrial inorganic and organic chemicals to purify/combat industrial wastes, particularly lye. Inoueki Co., Ltd (importer, distributor), 1-101 Kami-Gofuku-machi, Fukuoka City. WTD 5/70.

28163—PAKISTAN—Barytes (snow white grade only) 300 kg. Request catalogs, quotations, c.&f., Karachi. Atlas Battery Ltd. (importer), D/181 Central Ave., S.I.T.E., Karachi-29. WTD in preparation.

28182 — IRELAND — Urea-formaldehyde, 66% solid content, equivalent to BASF KR 385. Shipped in liquid form over a 12 mo. period. Doyle & O'Sullivan Ltd. (importer, distributor, agent), 135 St. Stephen's Green, Dublin 2. WTD 5/70.

282 Synthetic materials

28215—SOUTH AFRICA — Phenolic adhesive (phenol formaldehyde resorcinol) for use in own lamination timber plant. York Timbers Ltd. (importer), P.O. Box 380, Pretoria. WTD in preparation.

28220—PAKISTAN—Synthetic rubber, 30 tons. Requests catalogs, quotations, c. & f., Karachi. Atlas Battery Ltd. (importer), D/181, Central Ave., S.I.T.E., Karachi-29. WTD in preparation.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

28445—AUSTRIA—Nail polishes, lacquers and enamels of top quality; creams and lotions for skin treatment, personal deodorants and transpiration inhibitors. Direct purchase and agency. Correspondence requested in German. R. Umlauf & Co., Parkos K.G., (importer, distributor, manufacturer, agent, exporter), Schillerstrasse 7, A-4600 Wels. WTD 4/70.

285 Paints, varnishes, lacquers, enamels

28510—PHILIPPINES—Paint products and painting equipment. Better Painting Contractors, Inc. (importer, distributor, retailer, painting contractor), 2298 F. B. Harrison, Pasay City. WTD 1/70.

287 Agricultural chemicals

● **28700—MALAWI**—Sulfate of ammonia, 1150 short tons and single superphosphate, 610 short tons; calcium ammonium nitrate, 950 short tons, and single superphosphate, 610 short tons; 20:20:0 mixture 590 short tons with sulfate of ammonia, 670 short tons or calcium ammonium nitrate, 560 short tons; 10:10:0 mixture, 1080 short tons with sulfate of ammonia, 670 short tons of calcium ammonium nitrate, 560 short tons. Quotations will be asked for the supply of one of the above combinations and tenders are invited to quote on one or more of the various alternatives. Materials are for the supply of fertilizers for the Lilongwe Land Development Project, Tender No. 911. Tenders must be in sealed envelopes endorsed on the outside with the Tender No. and description. Forward to: Secretary, Malawi Government Central Tender Office Board, P.O. Box 588, Blantyre, Malawi, bid deadline noon July 3. Complete specifications expected by mail at U.S. Department of Commerce, Chemicals Division, BDSA-665, Washington, D.C. 20230 (202-967-3465).

289 Chemical products

28950—PAKISTAN—Carbon black, 200 kg. Requests catalog, quotations, c. & f., Karachi. Atlas Battery Ltd. (importer), D/181, Central Ave., S.I.T.E., Karachi-29. WTD in preparation.

291 Petroleum refining

● **29100—KOREA** — Industrial lubricating oils, total quantity 112,960 LTRS., comprised of Teresco (or equivalent) oil 20,000 LTR.; engine blower oil 21,960 LTR.; engine blower oil (summer) 24,000 LTR.; support oil 30,000 LTR.; steam cylinder lubricating oil 17,000 LTR. Bid invitation No. KFX-0092-PIII. Bid deadline 2 p.m., June 11. Office of Supply, Government of the Republic of Korea, Seoul. Sealed bids in eight copies. Petroleum and Coal Division, BDSA-673, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2355).

295 Paving, roofing materials

29523 — NETHERLANDS — Roof decking materials, especially liquid systems, synthetic foils; other roofing products, materials. Direct purchase, representation or manufacture under license. Stramit C. V. (Attn: W. J. C. van Engelen, Gen. Mgr.) (importer, distributor, manufacturer), 107 Kanaalstraat, Someren, N.B. WTD 4/70.

306 Fabricated rubber products

30690—PANAMA—Battery rubber separators. Industrial Centroamericana, S.A. (importer, manufacturer), Industrial Centroamericana, S.A., P.O. Box 8761, Panama 5. WTD 4/70.

307 Plastic products

30791—AUSTRIA—Synthetic sausage casings; shrinkable plastics film for vacuum packaging of meat, meat products. Viktor Nagel (importer, distributor, agent), Mexikoplatz 24, A-1020 Vienna. WTD 4/69.

331 Steel mill products

● **33100 — ARGENTINA** — Supply of conductor cable, galv. steel wire and aluminum alloy conductors of various specifications. Tender for "Supply of Electric Utilities"; bid deadline June 30. Electricidad De Misiones S.A., Buenos Aires. Copies of tender documents may be purchased from Electricidad De Misiones S.A., Ayacucho 417, Posadas, Misiones, Buenos Aires.

● **33100—BURMA**—Supply of M.S. galv. stranded stay wire of various specs. Tender #219/T/EL/PWC/69-70; bid deadline June 23. Public Works Corp., Rangoon. Copies of tender documents available from Iron and Steel Division, BDSA-669, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4412).

● **33100—CHILE**—Supply of 1,423.300 high strength low-alloy steel bolts, nuts, ladder bolts, U bolts, and shackles for the El Toro-Charrua-Alto Jahuel Electric transmission line. Tender No. n/n; bid deadline June 16. Empresa Nacional de Electricidad, Calle Santa Rosa 76, Sala de Propuestas del Departmento de Abastecimientos, Santiago. Although not a prerequisite, it is advisable that the bidder(s) be legally represented in Chile. Copies of the specifications in Spanish are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

33120—ENGLAND—Steel bar to American Specification A.I.S.I. 4150 leaded. Lead content is important factor; size 7/8" diameter and 1 5/8" diameter, in fully annealed and descaled condition. Servotel Controls (manufacturer), Tewkesbury Rd., Cheltenham GL519DT. WTD in preparation.

33120 — ITALY — "U" beams (channel beams). Firm's annual consumption capacity: 8,000 metric tons. "IPE" and "HPE" beams ("I" and "H" Profilo Europeo—"I" and "H" European shapes, roughly corresponding to U.S. bearing piles and wide flange beams, respectively); annual consumption: 10,000 metric tons. Steel plates, large, medium and small thickness, annual consumption 8,000 metric tons in following specifications: UNI FE 37 (Italian Standards reportedly corresponding to ASTM 283/c), UNI FE 42 b, c (Italian Standards reportedly corresponding to ASTM 283/d), UNI FE 42 d (Italian Standards reportedly corresponding to ASTM 284/c). Metalfer-Fias s.p.a. (manufacturer), Via Pontina Km. 22,500, 00128 Rome. WTD in preparation.

33122—GUATEMALA—Steel ingots; steel billets; wire rods. Ing. Miguel Munoz-Aceros de Guatemala (manufacturer), 20 calle 7-62, zona 1, Guatemala City. WTD 8/69.

33123—INDIA—Cold rolled electrolytic tin plate, .75 lb. coating, bright finish, soft temper, as follows: 400 tons—30 swg. 18¼ in. x 28 in., 100 tons—30 swg. 20 in. x 30 in. D. R. Guha (agent), 62—4 Iswar Mitra Rd., Behala, Calcutta 34. WTD in preparation.

33127—PORTUGAL—Stainless steel sheets, specially ASI 430 type, 2B finish for cutlery. Direct purchase and agency. ESTABELECIMENTOS Manuel Ferreira, Lda. (importer, distributor, agent), Rua Augusto Rosa, 186, Oporto. WTD in preparation.

333 Primary smelting, refining of nonferrous metals

33323 — PAKISTAN — Lead, refined, 520 tons. Request catalogs, quotations c. & f., Karachi. Atlas Battery Ltd. (importer), D/181, Central Ave., S.I.T.E., Karachi-29. WTD in preparation.

33334—GUATEMALA—Zinc slabs, zinc ingots. Ing. Miguel Munoz, Aceros de Guatemala (manufacturer), 20 Calle 7-62, zona 1, Guatemala City. WTD 8/69.

33397—PAKISTAN—Tin wrought including foil and wire. Request catalogs, quotations, c. & f., Karachi. Atlas Battery Ltd. (importer), D/181, Central Ave., S.I.T.E., Karachi-29. WTD in preparation.

335 Rolling, drawing, extruding of nonferrous metals

33512 — PORTUGAL — Copper and copper-base alloy, mill shapes (sheet, strip, plate, pipe and tube, bar). Direct purchase and agency. ESTABELECIMENTOS Manuel Ferreira, Lda. (importer, distributor, agent), Rua Augusto Rosa, 186, Oporto. WTD in preparation.

33522—PORTUGAL—Aluminum plate and sheet. Direct purchase and agency. ESTABELECIMENTOS Manuel Ferreira, Lda. (importer, distributor, agent), Rua Augusto Rosa, 186, Oporto. WTD in preparation.

33524—PORTUGAL—Rolled aluminum rod, bar (including continuous cast), structural shapes. Direct purchase and agency. ESTABELECIMENTOS Manuel Ferreira, Lda. (importer, distributor, agent), Rua Augusto Rosa, 186, Oporto. WTD in preparation.

XUM

33526—PORTUGAL—Aluminum tube and other rolled, drawn, or extruded mill products. Direct purchase and agency. ESTABELECIMENTOS Manuel Ferreira, Lda. (importer, distributor, agent), Rua Augusto Rosa, 186, Oporto. WTD in preparation.

33560 — ITALY — Nickel-aluminum strips, from 0.08 to 0.28 mm in thickness and from 1.5 to 4.5 mm in width. SIPEA (S.a.s.) (manufacturer), Via XXV Aprile, 32, 10042 Nichelino, Torino. WTD in preparation.

342 Cutlery, hand tools, general hardware

34294—FRANCE—Builders' hardware; window hardware, sliding and folding door hardware. Direct purchase and agency. Aluminium Batiment, Jean-Jacques Semo (importer, distributor, agent), Ave. de la Gare, 83-Boulouris. WTD 5/70.

344 Fabricated structural metal products

● **34400—IRAN**—Supply 2 each steam boilers for Timber Impregnation Plant Ghaznin, 8,000 lb/hour, saturated steam, fire tube type with auxiliary equipment, bid guarantee approx. $3,100 (U.S.) Tender No. 75/49; bid deadline July 25. Iranian State Railways, Tehran, Iran. One copy of specifications available for reference only at the Power & Electrical Equipment Division, BDSA, U.S. Department of Commerce, Room 5885C, Washington, D.C. 20230 (202-967-4188).

34443—NETHERLANDS—Skylights, roof ventilating, supporting systems, related roof-oriented products, systems. Direct purchase, representation or manufacture under license. Stramit C.V. (Attn: W. J. C. van Engelen, Gen. Mgr.) (importer, distributor, manufacturer), 107 Kanaalstraat, Someren, N.B. WTD 4/70.

353 Construction, mining, materials handling machinery

● **35300—NEPAL**—One crawler tractor, 4 cycle, water cooled diesel engine to deliver 100 HP at 7000 ft. elevation, equipped with hydraulic angle-dozer. One lube and servicing unit, trailer mounted; one welder, trailer mounted. Tender No. not supplied, bid deadline June 24. Chief Engineer (Road), Roads Dept., Ministry of Works, Transport and Communication, Babar Mahal, Kathmandu. Specifications are available on a short term loan basis from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

354 Metalworking machinery

● **35400—BURMA**—60 ton geared inclinable press with stroke up to 6 inches, and 10 hand lever plate shears. Tender No. P-16(Q) PWC/69-70; bid deadline June 15. Chairman, Public Works Corp., 60 Shwedagon Pagoda Rd., Rangoon. Specifications are available from the Metalworking Equipment Division, BDSA, Room 5890, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-5652). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

35418—GERMANY—Special carbide saws for metal cutting. Direct purchase and agency. Vollmer Schleifmaschinen KG (manufacturer, agent), P.O. Box 11, D-7242 Dornhan, Baden-Wuerttemberg. WTD 5/70.

35481—INDIA—Cold rolling mill machinery, roll grinders and slitting equipment, for the manufacture of 3500 tons per annum of cold rolled alloy steel strip. Harbans Lal Malhotra & Sons Pvt. Ltd. (manufacturer), 12 New C.I.T. Rd., Calcutta 12. WTD in preparation.

355 Special industry machinery

● **35500—ARGENTINA**—Construction, installation and start-up of a sodium carbonate plant with a minimum annual capacity of 200,000 tons. Bid deadline is Aug. 25. Secretaria de Estado de Industria y Comercio Interior, Departamento de Administracion, Diagonal Julio A. Roca 651, Buenos Aires. Copies of conditions and technical specifications are available for $143.00 from the Argentine Embassy, 1600 New Hampshire Ave., NW., Washington, D.C. 20009.

● **35500 — CHILE** — Supply of machinery and equipment for fruit packing and canning plant. The bid deadline not specified. Sociedad de Construcciones y Operaciones Agropecuarias (filial Corfo), Calle Teatinos No. 20, Office No. 77, Santiago. Complete specifications are available from the New York office of the Corporacion de Fomento de la Produccion Chile, 90 Pine St., New York 10005.

35513—ZAMBIA—Design, supply, delivery and possibly supervision of installation of machinery for modernizing and improving existing abattoir. Anticipated expenditure approximately K120,000 of which K80,000-K100,000 will be for specialized slaughtering equipment, including refrigeration plant. Anticipated handling capacity will be 100 head of cattle and 40 head of hogs per day. City Engineer, City of Kitwe, P.O. Box 2495, Kitwe.

35595 — SOUTH AFRICA — Machinery and equipment for rolling of tubular fiber glass rods, tapered and parallel, used for manufacture of fishing rods and for industrial purposes. Firm uses pre-impregnated fiber glass cloth as raw material. Equipment for wrapping rods with cellophane and subsequently removing cellophane film; also mandrels, made to specification, to be used as formers for fiber glass rod manufacture. PURGLAS (PTY.) LTD. (manufacturer), 80 Gale St., Durban, Natal. WTD 11/69.

356 General industrial equipment

● **35600—KOREA**—1 hermetic liquid chilling package, capacity 2 tons, cooling water from 55 deg. F. to 45 deg. F. with condenser cooler. Tender No. SLC-0093-P II; bid deadline June 22. Office of Supply, Government of the Republic of Korea. Copies of the specifications are available on a short term loan basis to firms domiciled in the U.S. from the General Industrial Equipment Division, BDSA-647, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-5585).

35615—FRANCE—Liquid power sprayers for detergents. Laboratoires Ceetal (manufacturer), 19/23 rue Etienne Dolet, 42 Saint-Etienne (Loire). WTD 5/70.

35621 — SOUTH AFRICA — Ball bearings. Bosal Afrika (Pty.) Ltd. (importer, distributor), P.O. Box 1652, Pretoria. WTD in preparation.

35622—SOUTH AFRICA—Roller bearings. Bosal Afrika (Pty.) Ltd. (importer, distributor), P.O. Box 1652, Pretoria. Telex: PX 44-654. WTD in preparation.

358 Service industry machinery

35811 — GERMANY — Soft-ice and frozen foods vending machines. Requests price quotations c.i.f. European ports. Automatengesellschaft Elevend mbH. & Co. KG. (importer, distributor), 4018 Langenfeld/Rhld., 119-125 Winkelsweg, Postfach 244. WTD 5/70.

35853 — THAILAND — Refrigeration units suitable for installation on trucks; 47 units, 6 ton capacity. Requests catalogs, brochures, c.i.f. Bangkok prices. Frozen Food Transport Co., Ltd. (transportation service), 161/3 Mahadlek Luang III Road, Rajadamri Rd., Bangkok. WTD in preparation.

35892 — GERMANY — Water treatment plants, especially continuous treatment plants. EUWA, H.H. Eumann (importer, manufacturer), Daimlerstrasse/Industriegebiet, P.O. Box 24, D-7031 Gaertringen near Stuttgart, Baden-Wuerttemberg. WTD 5/70.

359 Machinery

35991—SOUTH AFRICA—Carburetors, all types. Bosal Afrika (Pty.) Ltd. (importer, distributor), P.O. Box 1652, Pretoria. Telex: PX 44-654. WTD in preparation.

361 Electrical transmission, distribution equipment

● **36100—MALAYSIA**—Supply 33 KV and 11 KV switchgear and auxiliary equipment for town substation, Kuala Lumpur; bid deadline June 8. Specifications available for approximately $8 (U.S.) from the Purchasing and Contracts Officer, National Electricity Board of the States of Malaya, P.O. Box 1003, No. 129 Jalan Bangsar, Kuala Lumpur.

● **36100—THAILAND**—Supply 200 sets of 25 KW class current transformers, outdoor dry type. Tender No. MEA-PSD-194, bid deadline July 10. Purchase and Stores Department, Metropolitan Electricity Authority, 121 Chakraphet Rd., Bangkok 2, Thailand. Specifications available from Power & Electrical Equipment Division, BDSA, U.S. Department of Commerce, Room 5886C, Washington, D.C. 20230 ★(202-967-4188). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

● **36100 — TRINIDAD** — Tender No. 1983 for the supply of 390 each window type current transformers for outdoor installation; Tender No. 1984, for supply 30 each current transformers operated 3 PH. 4W star 230/400V bottom connected KVA of Max. Demand Meters for On-Peak Operation. Bid deadline July 17. The Purchasing Officer, Trinidad and Tobago Electricity Commission, 63 Frederick St., Port of Spain, Trinidad, W.I. Specifications available from Power & Electrical Equipment Division, BDSA, Department of Commerce, Washington, D.C. ★(202-967-4188). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

36113—GERMANY—Electronic measuring apparatus and analyzers. Direct purchase and agency. ELEKTROPHYSIK Dr. H. Stephan (distributor, manufacturer, agent), 72 Plittersdorfer Strasse, D-53 Bonn/Bad Godesberg. WTD 5/70.

362 Electrical industrial apparatus

● **36200—NATO**—Supply 1 each frequency converter set, 50 cycle to 60 cycle. Ref. AC/11282/GG:mgc; bid deadline June 30. North Atlantic Treaty Organization, Saclant, ASW, Research Center, APO New York, N.Y. 09019. Specifications available from the Power & Electrical Equipment Division, Room 5886C, Department of Commerce, Washington, D.C. 20230 (202-967-4188). A review copy will also be available at the U.S. Department of Com-

merce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868). Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230.

363 Household appliances

36311—GERMANY—Microwave ovens (for quick defrosting). Requests price quotations c.i.f. European ports. Automatengesellschaft Elevend mbH. & Co. KG. (importer, distributor), 4018 Langenfeld/Rhld., 119-125 Winkelsweg, Postfach 244. WTD 5/70.

364 Electric lighting, wiring

36430—NETHERLANDS—Connectors for electronic applications, especially coaxial, printed circuit connectors. Direct purchase and/or agency. N.V. Benecom v/h Hans Speijer (Attn: H. Speijer, Gen. Mgr.) (importer, distributor, agent), 5 Twijnstraweg, P.O. Box 33, Lekkerkerk. WTD 4/70.

367 Electronic components, accessories

36740 — GERMANY — Electronic components, accessories; solid state semiconductors and devices. IEH Industrie Elektronik (Norbert Hirche) (importer, distributor, agent), 2000 Hamburg 53, Boettcherkamp 13. WTD in preparation.

36792—GERMANY — Capacitors for electronic application. IEH Industrie Elektronik (Norbert Hirche) (importer, distributor, agent), 2000 Hamburg 53, Boettcherkamp 13. WTD in preparation.

36795—NETHERLANDS — Connectors for electronic applications, especially printed circuit, coaxial connectors. Direct purchase and/or agency. N. V. Benecom v/h Hans Speijer (Attn: H. Speijer, Gen. Mgr.) (importer, distributor, agent), 5 Twijinstraweg, P.O. Box 33, Lekkerkerk. WTD 4/70.

369 Electrical machinery

36930 — GERMANY — Electrical medical measuring apparatus. Direct purchase and agency. ELEKTROPHYSIK Dr. H. Stephan (distributor, manufacturer, agent), 72 Plittersdorfer Strasse, D-53 Bonn/Bad Godesberg. WTD 5/70.

371 Motor vehicles, motor vehicle equipment

37112 — THAILAND — Refrigerated trucks complete with cooling units; 47 units, 6 tons capacity. Requests catalog, brochures, c.i.f. Bangkok prices. Frozen Food Transport Co., Ltd. (transportation service), 161/3 Mahadlek Luang III Road, Rajadamri Rd., Bangkok. WTD in preparation.

37130 — IRAN — Trucks for transporting horses. Quantities and specifications to be determined through direct correspondence. Tampashian, M. M. (importer), 666 Ferdowsi Ave., Tehran. WTD in preparation.

37141—SOUTH AFRICA—Shock absorbers, vehicle. Bosal Afrika (Pty.) Ltd. (importer, distributor), P.O. Box 1652, Pretoria. Telex: PX 44-654. WTD in preparation.

372 Aircraft, parts

● **37200—GREECE**—Greece desires to import one (1) four to five passenger helicopter and spare parts for use Greek Civil Aviation Administration. Bid deadline is June 26. Copy of tender may be obtained from Transportation Products Division, Room 5092, Department of Commerce, Washington, D.C. 20230 (202-967-3295).

384 Surgical, medical, dental instruments

● **38400—KOREA**—Supply of three gastroscopes, one for biopsy; one gastro projector; one colposcope. Tender No. SLC-0093-PII (Part II); bid deadline June 22. Invited by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

38423—FRANCE — Safety goggles, gloves, helmets and clothing. Laboratoires Ceetal (manufacturer), 19/23, rue Etienne Dolet, 42 Saint-Etienne (Loire). WTD 5/70.

386 Photographic equipment

● **38600—KOREA**—Supply of 68,000 rolls of X-ray photo-fluorographic film, green sensitive, 60 mm. x 60 mm. x 12 exp.; 8,000 rolls, X-ray photofluorographic film, green sensitive, 70 mm. x 3 m; 250 cans developer; 250 cans fixer. Tender No. KFX-0095-PIII; bid deadline June 16. Invited by the Office of Supply, Government of the Republic of Korea, Seoul, Korea. Terms and specifications available on loan basis from the Scientific and Business Equipment Division, BDSA-653, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-2939). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

394 Sporting goods

39492—FRANCE—Wheels for "Karts," sport vehicles. SOMEC (manufacturer), 3 rue Sala, 69 Lyon (2), Rhone. WTD 5/70.

396 Costume jewelry, novelties

39610 — HONG KONG — Novelties, gift wares. Harilela's (importer, distributor, manufacturer, retailer), Hong Kong Hotel, 4/F, P.O. Box 5106, Kowloon, Cable: HARILELA. WTD 4/69.

39610—JAPAN—Women's jewelry, costume novelties. Aiwa Corp. (importer, exporter), Hioki Bldg., 2-25 Shimohioki-cho, Naka-ku, Nagoya. WTD 5/70.

399 Manufacturing industries

39999—MOROCCO—All kitchen accessories and gadgets, other sophisticated articles used in kitchens; all types of novelties and gadgets for use in commercial offices, including desk accessories. Direct purchase and agency. Quotations c.i.f. Casablanca. Direct purchase and agency. R. Oiknine (importer, agent), 74, rue Pierre Parent, Casablanca. WTD 4/70.

39999—NETHERLANDS—All kinds of educational aids, appliances, materials, methods and systems, such as audio-visual aids for use in schools and industry, correspondence, training and programmed instruction courses; reproduction, translation rights for such courses. Direct purchase and agency. HISO (Attn: H. van Poll, Mgr.) (importer, distributor, publisher/retailer/translator), 5 Burg. Godschalxstraat, or P.O. Box 227, Empel en Meerwijk, N. Br. WTD 4-70.

509 Wholesalers, scrap

50930—GERMANY—Exposed X-ray plates, unassorted, without paper packing, in used jute bags or cartons. Lehnert GmbH (importer, distributor), 6606 Gersweiler, Am Berg 12. WTD 6/69.

593 Antique, secondhand stores

59330 — PAKISTAN — Used men's tropical suits and jackets; tropical trousers; used boys' and youths' worsted jackets. Request price quotations, c.&f., Karachi. Bashir Ahmed Khadim Hussain (importer), Napier Rd., Karachi-2. WTD in preparation.

59330 — PAKISTAN — Secondhand overcoats, men's, youths', and boys'. Requests price quotations, c. & f., Karachi. Iqbal Hussain & Co. (importer), Napier Road, Karachi. WTD in preparation.

59330—PAKISTAN—Secondhand clothing: ladies' dresses, skirts, overcoats, gowns, plush coats, slacks, men's shirts, suits, jackets, trousers. Requests quotations, c.&f., Karachi. E. A. Mohamed & Co. (importer), B.R.5 Chagla St., Karachi. WTD in preparation.

59330—PAKISTAN—Secondhand clothing, men's, women's and boys'. Requests price quotations, c.&f., Karachi. Esmail Haji Tarmohamed & Co. (importer, agent), 119, Mulji St., Karachi-2. WTD in preparation.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

CHILE—Mario Han R., representing Instituto Forestal (subsidiary of Chilean Government agency CORFO), Belgrado 11, Santiago, **interested in contacting U.S. universities and firms with forest products and paper pulp research laboratories and requesting technical information.** May 27 via San Francisco for 40 days. c/o Fred Simmons, P.O. Box 27, Old Forge, N.Y. 13420. Itinerary: San Francisco, Seattle, Miami.

CHILE—Jorge Nieto, Sergio Parr Sepulveda, EPAL Ltda., Bandera 52, Santiago, **interested in exporting sea weeds to producers of agar-agar, alginates, etc., or to general importers and requesting technical information.** May 25 via Los Angeles for 30 days, c/o 1046 Embury St., Pacific Palisades, Calif. 90272; phone (213) 454-3766. Itinerary: Los Angeles, San Francisco, Chicago, Detroit, New York, cities in New Jersey, Boston. WTD in preparation.

HONDURAS—Roque Rivera, Rivera y Compania, Tegucigalpa, **interested in representing U.S. supplier of automobile spare parts and accessories.** June 2 via Miami for 10 days. c/o Hotel Everglade, 244 Biscayne Blvd., Miami Beach, Florida 33132. Itinerary: Miami, Austin, Texas. WTD 1/70.

PAKISTAN—Mohammed Idris, Machinery and Spares Co., 214 Nawabpur Road, Dacca, East Pakistan, **interested in purchasing U.S. marine engines and low-lift power pumps and requesting specifications and price of 165/225 BHP marine engines and diesel engines of 15, 20, 25 and 30 BHP.** June

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15 via New York for 1 mo. c/o Wisconsin Motor Corp., 1910 S. 53rd St., Milwaukee, Wis. 53246. Itinerary: New York, Detroit, Milwaukee, Los Angeles. WTD in preparation.

SOUTH AFRICA—Martin C. Spring "Financial Mail," P.O. Box 9959, Johannesburg, **interested in visiting the San Francisco area to gain information for an article on this city as a tourist attraction for South Africans.** June 12 via San Francisco for 5 days. c/o Dept. of Commerce Field Office. Itinerary: San Francisco. WTD 6/66 under revision.

SOUTH AFRICA—Selwyn Klein, The Blue Ribbon Meat Corp. (Pty.) Ltd., 305 Westlodge, Lansdowne Road, Claremont, Cape Province, **interested in franchise operations, economy food outlets, meat orientation.** June 8 via New York for 21 days. c/o M. Gladstone, 48 Fairway Ave., West Orange, N.J. 07052. Itinerary: New York, Chicago, Los Angeles, Boston, New Orleans, Atlanta, Detroit. WTD in preparation.

School construction projects in Guyana announced

Applications are being accepted from firms which wish to prequalify to tender for the following construction work in Guyana: one teacher training college, five new multilateral secondary schools, and the conversion of two existing schools into multilateral secondary schools. This undertaking is to be accomplished by the Government of Guyana with financial assistance provided by the World Bank and the International Development Association. The prequalification deadline is July 4.

Copies of the official announcement, providing such additional information as the names of schools, square footage and construction periods, are available from the Construction and Building Materials Division, BDSA-645, Room 5611, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-3602) and the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

NATO office in Germany needs fuel tank liners

Supply, delivery and installation of four steel-container-inserts for fuel tanks of 2,500 cu. m. capacity each are desired by NATO in Germany. Tender documents will be available approximately June 5 and bids will be expected approximately July 7. The order will be placed approximately August 7.

Only prequalified suppliers from NATO countries are eligible to submit quotations. Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact the International Liaison & Trade Opportunities Staff, BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. Bids must be submitted to: North Atlantic Treaty Organization (NATO) Purchasing and Contracting Officer, Bockenheimer Landstr. 38, Postfach 3931, 6 Frankfurt/Main, Federal Republic of Germany.

Documents available from the Power & Electrical Equipment Division, BDSA, Room 5886C, U.S. Department of Commerce, Washington, D.C. 20230 ★(202-967-4188). A review copy will also be available at the Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., San Francisco, Calif. 94102 (415-556-5868).

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

ARGENTINA—Empresa Provincial de Energia de Cordoba (E.P.E.C.), a Government-owned electric utility in the Province of Cordoba, Argentina, has recently announced its plans to **invest about $53.4 million in the construction of new power generating and distribution facilities and the expansion of existing facilities.** The above-mentioned amount will be allocated as follows: $6.3 million for transmission lines; $1.6 million for distribution lines; $42.6 million for the construction of generating facilities and the supply of the necessary equipment; and $2.9 million for miscellaneous auxiliary services and equipment. A list of the major projects, together with the month in which Empresa Provincial de Energia de Cordoba plans to call for bids, follows: June 1970—66 KV transmission line between the towns of Arroyito and La Francia; 66 KV transmission line between La Francia and San Francisco; 66/13.2 KV-4,000 KVA transformer station in Morteros; 66/13.2 KV-2,500 KVA transformer station in Portena; construction of transformer chambers and laying of underground cable in the City of Cordoba, and laying of aerial and underground lines in La Falda, La Calera, Unquillo and Villa General Mitre. August 1970—66/13.2 KV-12.6 MVA transformer station in La Falda; 66/13.2 KV-12.6 MVA transformer station in Capilla del Monte; 66/13.2 KV-4,000 KVA transformer station in La Francia; 13.2 KV armored cable for Rio Cuarto, and 15 MW generating plant with transformer station for Cruz del Eje. September 1970—expansion to 10 MW of Isla Verde generating plant; 66 KV transmission line between Cosquin and Cruz del Eje; 66 KV transmission line between Santiago Temple and Santa Rosa; 66 KV transmission line between Santa Rosa and La Puerta; 66/13.2 KV-10 MVA transformer station in Dean Funes, and 66/13.2 KV-3,000 KVA transformer station in Noetinger. October 1970—66 KV transmission line between Cruz del Eje and Dean Funes; 66 KV transmission line between Pilar-Rio II and Alta Gracia; 66/33/13.2 KV-12.6 MVA transformer station in Alta Gracia, and 66/13.2 KV-1,000 KVA transformer stations in Santa Rosa and La Puerta. December 1970—expansion of 25 MW of the Rio Cuarto generating plant; construction of a 25 MW generating plant with transformer station in San Francisco. American firms interested in participating in the forthcoming calls for bids should correspond directly with Empresa Provincial de Energia de Cordoba, Av. General Paz 374, Cordoba, Provincia de Cordoba, Argentina.

AUSTRALIA—A $3 million wine making company will be established in the Upper Hawkesbury area, 40 miles west of Sydney. The company, which will call itself Nepean Valley Wines Ltd., this year will begin planting 1,000 acres of vines and building a winery and cellars on a 1,700 acre plateau, 700 feet above the Nepean River at Mulgoa, eight miles from Penrith. Tower Research and Development Corp., a Sydney-based business research and development organization with international affiliations, and wine technology consultant, John Stanford, former federal manager of the Wine Bureau, have prepared market research and feasibility studies for the new company and will be associated with the development.

CANADA—It was announced on Apr. 14 that a 3.7 million sq. ft. complex, to cost nearly C$100,000,000, and consisting of **30-story office buildings, hotel, and shopping center, and to be known as Place Desjardins,** will be constructed in mid-town Montreal beginning "as soon as possible," with completion planned for 1975. Place Desjardins will house offices of the Desjardins Cooperative Group (credit unions, and insurance, investment and mutual fund corporations) and of the Federal and Quebec governments. Both governments will contribute to the financing of the project along with unspecified American and European investment houses.

FRANCE—Pechiney and Kaiser Aluminum have decided to build their proposed **one million ton alumina plant** at the port of Dunkirk. Initial investment is expected to be on the order of $180 million. The plant is to be completed in 1974 and will employ 700 people.

ICELAND—On Apr. 21, a government bill was introduced in the Althing to prepare the

Future construction summary available

A quarterly summary of future construction projects abroad, contract award stories and significant foreign government tenders published in the INTERNATIONAL COMMERCE and COMMERCE BUSINESS DAILY during January, February, March 1970, is available to U.S. firms from the International Liaison and Trade Opportunities Staff (ILTO), BDSA-541, U.S. Department of Commerce, Washington, D.C. 20230. A pre-addressed mailing label should be included with the request to facilitate processing and mailing.

The summary, which may also be reviewed at any of the 42 Commerce Field Offices, alphabetically lists project summaries by country in five distinct classes: airport, seaport, railroad and highway projects; hydro and thermal electric plant and irrigation projects; hospital, hotel and housing projects; industrial plant projects, and comprehensive development projects. Whenever possible, names of contractors and responsible agencies are cited, as well as original publication dates.

way for constructing an **oil refinery.** Further planning and engineering studies are still required, but the Government has decided on a refinery with a capacity of 670,000 metric tons per annum which would cost an estimated $14.5 million. Although the legislation does not specify any firm or party, it permits foreign participation not in excess of 49% and Icelandic participation of at least 51% in a joint venture company which will make all the necessary preparations for the construction and operation of the eventual refinery. Currently, the party most likely to become a partner in the oil refinery project is Baron U Kidd of Dallas, his technical adviser is the American consulting engineering firm of Purvin & Gertz, Inc., Dallas.

INDIA—The Chairman of the Fertilizer Corp. of India (FCI), Satish Chandra, announced at New Delhi on Apr. 4 that the **expansion of the Trombay (Bombay) fertilizer unit** will proceed and will be based on liquid ammonia. The expansion will cost $57.3 million, $13.3 million in free foreign exchange will be released for this purpose. The expansion is expected to be completed by 1973-74.

IVORY COAST—World Bank financed economic feasibility and engineering studies on **three road building projects** in Ivory Coast are now in their final stages. The first study, which is for 230 kilometers of road in western Ivory Coast from Man through Duekoue to Yabayo, is being undertaken by Louis Berger, Inc., 100 Halstead St., East Orange, N.J. 07018 and B.P. 21149, Abidjan. The second study is for the rebuilding of the road between Abidjan and Abengourou in eastern Ivory Coast. The third study covers the possible building of two roads in the so-called "coffee belt" in the south-central part of the country. One of these roads would depart from the present hard-surfaced road at Toumodi and would run through Dimbokro to Bongouanou, a distance of 120 kilometers. A 40 kilometer stretch of road to connect the towns of Assouakro and Quelle is also being studied. The two last mentioned studies are being undertaken by the French company Omnium Technique OTH-OTAM, 18 Boulevard de la Bastille, Paris 18eme, France and B.P. 1862, Abidjan. According to World Bank officials in Abidjan, if the economic feasibility studies justify the building of some or all of these roads at this time, the Bank may undertake some or all of the financing of the construction. Final evaluation of the three projects should be finished by late 1970 or early 1971. If the World Bank decides to undertake some or all of the financing, a pre-selection of bidders on a worldwide basis should begin shortly thereafter. In addition to its headquarters in Washington, the World Bank maintains an office for West Africa in Abidjan, B.P. 1850.

MALAYSIA—The Malaysian Government plans to construct a M$7 million **abattoir,** (U.S.$1.00=M$3.04), the most up-to-date in Southeast Asia, capable of handling 150 cattle, 200 goats and 2,500 pigs daily. The abattoir, which would serve the needs of the States of Selangor and Negri Sembilan, will be built on a 20-acre site in Batu Tiga and is expected to be ready by the middle of 1971. The present abattoirs in Selangor and Negri Sembilan would be closed when the complex is completed. The Chief Veterinary Officer, Dr. Mohammad Nordin bin Keling, told the press that a number of officers would be sent abroad for training in the use of modern equipment in connection with the project. Denmark will send several experts to help train the staff in slaughtering animals with modern equipment. Although the new abattoir would handle all kinds of live stock, the slaughtering would be done in different compartments. Invitations for international tenders are expected to be issued shortly. Interested companies should contact: Chief Veterinary Officer, Veterinary Service, Ministry of Agriculture & Co-operatives, Jalan Swettenham, Kuala Lumpur, Malaysia.

PORTUGAL—The Portuguese Oil Co., SACOR, and the Government of Portugal have reportedly decided to proceed with the expansion of the **new SACOR refinery in Oporto.** The present installation, consisting of a fuels unit and a lubricating oils unit, will produce about 2,000,000 metric tons of refined products per year when it reaches full production. The refinery is now in a testing phase; the formal inauguration is scheduled for June 5. The expansion plans, which are understood to have received the necessary approval within the government, call for a new fuels unit to be integrated into the existing installation. Bidding specifications are presently being prepared. The American firm of Foster Wheeler received the overall construction contract on the present installation; actual construction was handled by Foster-Wheeler's French subsidiary, Foster Wheeler France. The design of the fuels section was also sub-contracted to the American firm Hydrocarbon Research.

THAILAND—The Electricity Generating Authority of Thailand has announced that a Swiss joint venture firm is presently drawing up specifications for a **lignite fueled power plant** to be located at Mae Moh, Lampang, Thailand. It is understood that the engineering and design work will be done by the same firm and that this work is being financed on a grant basis by the Swiss Government. The power plant may be designed to have a capacity of 100,000 KW. It is estimated that the total cost will amount to $15 million. Firms interested in this lignite power plant should correspond with the Swiss joint venture firm, Electro-Watt and Motor Columbus, Talacher 16, CH 8022, Zurich, Switzerland.

VENEZUELA—The State Petroleum Corp. (CVP) has **proposals for the export to the U.S. east coast of 500 million cubic feet per day of Liquefied Natural Gas** by 1975. A joint venture between CVP and foreign investors will develop the project to be installed in Puerto La Cruz. While CVP is not prepared at the moment to emit detailed specifications for the equipment that will be required, it can in general terms give the principal elements of the proposal. The project involves export opportunities for equipment for the gathering, compression, distribution, treatment, liquefaction, ship transport, handling, and storage of liquid methane, ethane, and propane. Further information is available from: Ing. Fernando Delon L., Director de Planificacion, y Evaluacion, Corporacion Venezolana de Petroleo, Edificio Selemar, Calle Real de Sabana Grande, Apartado 14057, Caracas, Venezuela.

VENEZUELA—An unconfirmed report has been received that the Creole Petroleum Corp. of Venezuela may seek **three barges with a total load capacity of ten thousand tons.** Purchases of this nature would normally be authorized by the company's principal offices in Caracas. Interested potential suppliers might wish to direct inquiries to those offices (Creole Petroleum Corp., Avenida Los Chaguaramos, Apartado 889, Caracas, Venezuela) or to the parent company, Standard Oil Co., New Jersey.

VENEZUELA—William DeRonde, manager of Terminales Maracaibo, S.A., announced on May 6 that his company has set aside $3,000,000 for the purchase of **three new tugboats** to add to the company's 29-boat fleet. DeRonde said he was inclined to have the boats built in Holland or England because of what he maintained was superior workmanship and easier financing terms. He added, however, that he had not ruled out having the boats built in the U.S., citing faster delivery time and better replacement part service. He stated that speed of delivery might be an important consideration should his company be successful in obtaining a new tugging contract it is seeking from the Shell Oil Co. of Venezuela. Interested suppliers may contact: William DeRonde, Terminales, Maracaiba, S.A. Apartado 613, Maracaibo, Venezuela.

Leads for Importers

Commodities are offered direct unless specified

019 Miscellaneous agriculture

01930—CAMEROON—Gray parrots (Psittacus erithacus. Can also supply various apes. Price will depend upon quantity imported and health measures required. AFRICANIM (exporter), B.P. 450, Yaounde. WTD 4/70.

203 Canning, preserving foods

20341—MOROCCO—Chick peas, lentils, broad beans, all types of dried vegetables. Samples, prices available upon request. R Oiknine (import, export), 74, rue Pierre Parent, Casablanca. WTD 4/70.

227 Floor covering mills, products

22710—IRAN—Hand-woven rugs for luxury automobiles woven to fit specific areas. Design or mark of automobile can be woven into design. Specific colors can be ordered. Quantities, specifications to be determined through direct correspondence. Iranian Carpet Co. (exporter), 160 Ferdowsi Ave., Tehran. WTD 8/69.

242 Sawmills, planing mills

24211—MALAYSIA—Rough lumber. Direct sale. ONG Kian Teck Plywood Sdn. Bhd. (manufacturer, retailer, wholesaler), 6½ Mile, Jalan Kepong, Kuala Lumpur. WTD 5/70.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

28424—ETHIOPIA—Raw or purified beeswax. Will send samples and f.o.b. Ethiopian ports prices on request. Requests replies in Italian. Ernesto Franco Gottardo (exporter, processor), P.O. Box 72, Addis Ababa. WTD 4/70.

352 Farm machinery

35225—AUSTRIA—Potato harvester, fully automatic, tractor-drawn, suitable for use in difficult terrain and under adverse conditions. Company interested in finding American agent. Epple-Buxbaum-Werke A.G. (manufacturer, exporter, importer, selling agent), Buxbaumstrasse 2, A-4600 Wels. WTD in preparation.

399 Manufacturing industries

39999—MOROCCO—Hand-made rugs, hand-made leather articles; handbags, purses, wallets, camel saddles, footwear; blankets, Moroccan type, brass and wooden articles; dolls and figurines, old weapons. Price lists, samples available upon request. R. Oiknine (import, export), 74, rue Pierre Parent, Casablanca. WTD 4/70.

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New Books and Reports

***Exporters' Encyclopaedia, 1970.* (65th annual ed.) Peter F. Greene, ed. Dun & Bradstreet, New York. 909pp. $100.**

A comprehensive factbook of trade practices and regulations covering 220 world markets. Detailed information for handling an export order is provided. Market information, import and exchange regulations, shipping services, communications data are set forth in the marketing section. Information is presented by country—alphabetically. General information on law, insurance, export terms and practices, export control, export shipping and packing is furnished. Also given are reference data and information sources—radio, cable, mail, weights and measures, time charts, country affiliation with international organizations, U.S. ports and shipping services, Government agencies, trade associations, overseas ports and trade centers.

Write: Dun & Bradstreet Publications Corp., P.O. Box 3088, Grand Central Station, New York, N.Y. 10017.

***The Role of the Freight Forwarder in Developing Countries.* International Trade Centre, Geneva. 137pp. $5.**

A significant proportion of the costs of export goods consists of transportation, insurance, warehousing, docking, customs clearance, documentation and transfer charges. This guide is intended to indicate to freight forwarders in developing countries what kind of services they might offer to traders and to indicate to traders the sort of service they might expect to receive. Some changes taking place in transport techniques that are likely to affect freight forwarders in developing countries are described, and ways in which they might prepare for these changes are suggested. This guide is a simplified introduction to the complex subject of freight forwarding. A bibliography is appended for further study.

Write: International Trade Centre, UNCTAD/GATT, Palais des Nations, 1211 Geneva 10, Switzerland.

***Western European Labor and the American Corporation.* Alfred Kamin, ed. The Bur. of National Affairs, Washington. 546pp. $16.50.**

International specialists evaluate the overseas labor relations policies of American companies that conduct manufacturing activities in Western Europe. The labor market conditions that confront these companies in the United Kingdom, Ireland and the Common Market countries—Belgium, The Netherlands, France, Italy, Federal Republic of Germany and Luxembourg—are discussed. Collective bargaining, labor relations and the law, wages and employment benefits, manpower utilization, mobility and training and American investment and management in Western Europe are the major topics explored. The book is based on a Summer Institute on Business and Law, sponsored by Loyola University, held at Highland Park, Ill.

Write: Bureau of National Affairs, Inc., 1231 25th St. NW., Washington, D.C. 20037.

***Show Analysis, Statistical Directory of Trade & Industrial Shows.* Published by Sales Meetings Magazine, Philadelphia. 104pp. $25.**

Offers facts on the kinds of audiences and types of exhibitors at major trade shows. A companion book to *Exhibits Schedule*, which offers a complete calendar of shows throughout the world, *Show Analysis* reports a show's attendance by job function to registrants and reports exhibitor breakdown by types of products or services exhibited. It lists over 1,600 shows, gives date of founding for each, number of exhibitors and whether a conference is scheduled in conjunction with each show. *Exhibits Schedule* is $35 a year and includes a midyear supplement. For dates and data on association conventions and conferences, a companion reference is the *Directory of Conventions* ($20 a year with midyear supplement).

Write: Sales Meetings Magazine, 1212 Chestnut St., Philadelphia, Pa. 19107.

***International Marketing.* (3rd ed.) By Roland L. Kramer. South-Western Publishing Co., Cincinnati, Ohio 45227. 1970. 638pp. $9.75.**

This updated edition features environmental topics. Foreign market surveys, Government promotion, international pricing, communications, legal aspects, international banking facilities, foreign exchange, credit extension, export salesman, advertising media, manufacturing, licensing, and other facets of international trade are covered. Each chapter of the textbook concludes with a summary, questions, a problem and collateral readings.

Write: South-Western Publishing Co., Inc., 5101 Madison Road, Cincinnati, Ohio 45227.

***Antitrust in Japan.* By Eleanor M. Hadley. Princeton University Press. About 520 pp. $18.50.**

The author begins with an examination of the U.S. attempt to break up Japan's family-owned and operated commercial giants—the *zaibatsu*—at the end of World War II.

In the second part of the study, Dr. Hadley examines the present-day structure of the economy and finds, notwithstanding mergers and consolidations, significant differences from the *zaibatsu* pattern. In the concluding chapters she takes up the extent of cartelization, the role of government in the economy and analyzes the ingredients of Japan's high growth policy. The growth implications of the present looser pattern of industrial organization are explored.

Write: Princeton University Press, Princeton, N.J 08540.

***Economic Survey of Japan, 1968-69.* Published by The Japan Times, Tokyo. 252pp. $13.50.**

This report covers the Japanese economy for the fiscal year beginning Apr. 1, 1968. Recent trends in economic activities and their backgrounds are analyzed. Factors of economic prosperity, problems arising in the process of growth as well as certain questions relating to the future direction of Japan's economic policy are discussed from a relatively long-range point of view. Tables include data on balance of payments, GNP, exports and imports, trends in profit ratio in manufacturing establishments, population, working age and employment, education, and technology.

Write: International Publications Service, 303 Park Ave. South, New York, N.Y. 10010.

***Finance and Development in Thailand.* By Alek A. Rozental. Praeger Publishers, New York. 386pp. $17.50.**

The author, an economist and financial consultant with the United Nations, recommends modifications and reforms in the Thai financial structure, saying that greater emphasis must be placed on developing a viable Thai manufacturing base with less stress on the financing of trade. A valuable feature of this study is the author's primary data on sources of finance for private enterprise in Thailand.

Write: Praeger Publishers, 111 Fourth Ave., New York, N.Y. 10003.

☆ U. S. GOVERNMENT PRINTING OFFICE 1970—392-317/40

Calendar *for international traders*

CHICAGO—June 17—Chicago Midwest Credit Management Assn. meeting, Bismarck Hotel.

CHICAGO—June 23—In-office meeting for exporters, Commerce Field Office.

CLEVELAND—June 17—Export sales seminar, 10 a.m.-noon, Commerce Field Office.

DETROIT—June 18—World Trade Club of Detroit Dinner, Pick-Fort Shelby Hotel, 6 p.m.

FAIRFIELD, CONN.—July 2—Export Managers Club of Bridgeport (Southern Connecticut) luncheon, 12-2 p.m., Fairfield Motor Inn.

HONOLULU—June 17—How to Get Started in Exporting seminar, 10 a.m., Room 286, Commerce Field Office.

MEMPHIS—June 17—Mid-South Exporters' Roundtable annual dinner and election, Cafe St. Clair.

MENLO PARK, CALIF.—June 21-24—Annual review of business prospects: World Business Outlook for the Seventies, Stanford Research Institute. Commerce Speaker: **Lawrence A. Fox, Deputy Asst. Secretary of Commerce for International Trade Policy.**

NASHVILLE—June 25—Middle Tennessee Exporters' Roundtable on the Port of New Orleans, Statler-Hilton Motel.

NEW YORK—June 16—FCIB Hardware-Automotive and Allied Trades Group luncheon, Advertising Club, 12:30.

NEW YORK—June 18—Luncheon meeting of the FCIB Int'l Dept.'s Drug, Chemical and Food Export Club, Advertising Club, 12:15.

PHOENIX—June 23 and 25—In-office export workshop, 10 a.m.-noon, Commerce Field Office.

PITTSBURGH — June 15 — Export luncheon, William Penn Hotel, 12:15 p.m. Topic: "Import Quotas and Free Trade." Speakers: Rep. John Dent and Nelson Snitt of U.S.-Japan Trade Council. Sponsor: Greater Pittsburgh Chamber of Commerce.

PITTSBURGH — June 18 — Export workshop, Commerce Field Office, 2212 Federal Bldg., 2 p.m. Sponsors: REEC, Field Office.

ST. LOUIS—June 16—"Show You" export workshop on Documentation, Conference Room, Federal Bldg., 2 p.m. Sponsors: World Trade Club of St. Louis, Chamber of Commerce, and Commerce Field Office.

U.S. DEPARTMENT OF COMMERCE—FIELD OFFICES

Information and advice is available from these offices on: foreign markets for U.S. products and services, economic facts on foreign countries, firms with marketing facilities overseas, trade and investment opportunities abroad, Government financing aid to exporters, foreign exchange regulations and procedures, export and import statistics.

ALBUQUERQUE, N. MEX., 87101, U. S. Courthouse. Area Code 505, 843-2386.

ANCHORAGE, ALASKA, 99501, 412 Hill Bldg., 632 Sixth Ave. Area Code 907, 272-6531.

ATLANTA, GA., 30303, 4th Floor Home Savings Bldg., 75 Forsyth St., NW. Area Code 404, 526-6000.

BALTIMORE, MD., 21202, 305 U.S. Customhouse, Gay and Lombard Sts. Area Code 301, 962-3560.

BIRMINGHAM, ALA., 35205, Suite 200-201, 908 S. 20th St. Area Code 205, 325-3327.

BOSTON, MASS., 02203, Room 510, John Fitzgerald Kennedy Federal Bldg. Area Code 617, 223-2312.

BUFFALO, N.Y., 14203, 504 Federal Bldg., 117 Ellicott St. Area Code 716, 842-3208.

CHARLESTON, S.C., 29403, Federal Bldg., Suite 631, 334 Meeting St. Area Code 803, 577-4171.

CHARLESTON, W. VA., 25301, 3000 New Federal Office Bldg., 500 Quarrier St. Area Code 304, 343-6181 Ext. 375 and 376.

CHEYENNE, WYO., 82001, 6022 Federal Bldg., 2120 Capitol Ave., Area Code 307, 778-2220.

CHICAGO, ILL., 60604, 1486 New Federal Bldg., 219 S. Dearborn St. Area Code 312, 353-4400.

CINCINNATI, OHIO, 45202, 8028 Federal Office Bldg., 550 Main St. Area Code 513, 684-2944.

CLEVELAND, OHIO, 44114, Room 600, 666 Euclid Ave. Area Code 216, 522-4750.

DALLAS, TEX., 75202, Room 1200, 1114 Commerce St. Area Code 214, 749-3287.

DENVER, COLO., 80202, Room 161 New Customhouse, 19th and Stout Sts. Area Code 303, 297-3246.

DES MOINES, IOWA, 50309, 609 Federal Bldg., 210 Walnut St. Area Code 515, 284-4222.

DETROIT, MICH., 48226, 445 Federal Bldg. Area Code 313, 226-6088.

GREENSBORO, N.C., 27402, 258 Federal Bldg., W. Market St. P.O. Box 1950. Area Code 919, 275-9111.

HARTFORD, CONN., 06103, Room 610-B, Federal Office Bldg., 450 Main St. Area Code 203, 244-3530.

HONOLULU, HAWAII, 96813, 286 Alexander Young Bldg., 1015 Bishop St. Area Code 808, 546-5977.

HOUSTON, TEX., 77002, 5102 Federal Bldg., 515 Rusk Ave. Area Code 713, 226-4231.

JACKSONVILLE, FLA., 32202, P.O. Box 35087, 400 W. Bay St. Area Code 904, 791-2796.

KANSAS CITY, MO., 64106, Room 1840, 601 E. 12th St. Area Code 816, 374-3141.

LOS ANGELES, CALIF., 90024, 11th Floor, Federal Bldg., 11000 Wilshire Blvd. Area Code 213, 824-7591.

MEMPHIS, TENN., 38103, 710 First American Bank Bldg., 147 Jefferson Ave. Area Code 901, 534-3214.

MIAMI, FLA., 33130, Rm. 821, City National Bank Bldg., 25 W. Flagler St. Area Code 305, 350-5267.

MILWAUKEE, WIS., 53203, Straus Bldg., 238 W. Wisconsin Ave. Area Code 414, 272-8600.

MINNEAPOLIS, MINN., 55401, 306 Federal Bldg., 110 S. Fourth St. Area Code 612, 725-2133.

NEW ORLEANS, LA., 70130, 909 Federal Office Bldg., S., 610 South St. Area Code 504, 527-6546.

NEW YORK, N.Y., 10007, 41st Floor, Federal Office Bldg., 26 Federal Plaza, Foley Sq. Area Code 212, 264-0634.

PHILADELPHIA, PA., 19107, Jefferson Bldg., 1015 Chestnut St. Area Code 215, 597-2850.

PHOENIX, ARIZ., 85025, 5413 New Federal Bldg., 230 N. First Ave. Area Code 602, 261-3285.

PITTSBURGH, PA., 15222, 2201 Federal Bldg., 1000 Liberty Ave. Area Code 412, 644-2850.

PORTLAND, ORE., 97204, 217 Old U.S. Courthouse, 520 S.W. Morrison St. Area Code 503, 226-3361.

RENO, NEV., 89502, 2028 Federal Bldg., 300 Booth St. Area Code 702, 784-5203.

RICHMOND, VA., 23240, 2105 Federal Bldg., 400 N. 8th St. Area Code 703, 649-3611.

ST. LOUIS, MO., 63103, 2511 Federal Bldg., 1520 Market St. Area Code 314, 622-4243.

SALT LAKE CITY, UTAH, 84111, 3235 Federal Bldg., 125 S. State St. Area Code 801, 524-5116.

SAN FRANCISCO, CALIF., 94102, Federal Bldg., Box 36013, 450 Golden Gate Ave. Area Code 415, 556-5864.

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